

CHAPTER 3 REAL PROPERTY TAXES

Secs.	
300	General Provisions
301	Submission of Proposed Real Property Tax Rates
302	Establishment of Real Property Tax Rates
303	Tax Rate and Burden Studies
304	Assessment Areas and Assessment Studies
305	Assessments
306	Assessed Value
307	Determination of Assessed Value
308	Information to be Provided by Property Owners
309	Availability of Records
310	Publication of Assessment Listings
311	Notice to Taxpayers
312	Information from District of Columbia Agencies
313	Payment of Real Property Tax
314	Notice of Delinquent Taxes
315	Delinquent Tax List
316	Sale of Property for Delinquent Taxes
317	Recording of Sales and Redemption Period
318	Tax Deferral
319	Tax Deferral Computations
320	Requests for Deferral of Tax
321	Tax Relief for Historic Sites
322	Exemption from Payment of Property Tax
323	Taxable or Exempt Status
324	Annual Report on Exempt Real Property
325	Assessment of Unreported Exempt Properties
326	Direct Payment In Lieu of Taxes - Low and Moderate Income Housing
327	Taxation of Mixed Use Property
328	Application for Mixed Use Classification
329	Time Limitations and Extensions of Time
330	Income and Expense Reporting by Owners of Income-Producing Property
331	Waiver of Penalty and Interest for Failure to File
332	Time Limits for Filing Forms
333	Confidentiality of Information
334	The Income-Expense Reporting Form
335	Application for Lower Income Homeownership Exemption
336	Fees
337	Eligibility for Senior Citizen Homestead Tax Relief
338	Application for Senior Citizen Homestead Tax Relief
339	Special Rules for Cooperative Housing Associations
340	[Reserved]
341	July Tax Sale and Special Rules Regarding Nuisance Assessment Properties
342 - 345	[Reserved]
346	Determination of Assessed Value of Real Property Owned by a Cooperative Housing Association
347	Information to be Provided by a Cooperative Housing Association
348 - 349	[Reserved]
350	Real Property Reclassifications
351	Credits or Refunds Due to Real Property Reclassifications
352	Subdivision or Combination of Lots
353	Unimproved Real Property
354 - 359	[Reserved]
360	Supplemental Assessments: General Provisions
361	Supplemental Assessments
362	Determination of Assessed Value of Real Property with Construction in Progress

363	Information to be Provided by the Owner of Real Property
364	Information to be Provided by Owners of Real Property Where a Conversion has Occurred
365	Notice of Supplemental Assessment to the Real Property Owner
366	Appeals
399	Definitions

300 GENERAL PROVISIONS

- 300.1 The provisions of this chapter are adopted under authority of the "District of Columbia Real Property Tax Revision Act of 1974," 88 *Stat.* 1053, as amended, D.C. Code §§47-814 and §47-820 (1981 Ed.).
- 300.2 The purpose of this chapter is to establish rules for the assessment and reassessment of real property and related matters consistent with the provisions of the "District of Columbia Real Property Tax Revision Act of 1974" (also referred to in this chapter as the "Act"), as amended, and other applicable provisions of law.
- 300.3 For the purposes of this chapter, the word "Mayor," means the Mayor of the District of Columbia or his or her authorized representative.
- 300.4 For the purposes of this chapter, the term "Deputy Chief Financial Officer" means the Deputy Chief Financial Officer of the Office of Tax and Revenue ("Office") or his or her designee, agent, or representative.
- 300.5 For the purposes of this chapter, the word "erected" means completely built and finished.
- 300.6 For the purposes of this chapter, the word "roofed" and the phrase "under roof" mean the stage of completion of a structure where the main roof and the roofs of any structures on the main roof are in place.

AUTHORITY: Unless otherwise noted, the authority for this chapter is the District of Columbia Real Property Tax Revision Act of 1974, 88 *Stat.* 1053, as amended, D.C. Code §§47-814 and 47-820 (1981 Ed.).

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§100, 101.

EDITOR'S NOTE: The Office of the Chief Financial Officer of the District of Columbia published a Notice of Public Interest at 44 DCR 2345 (April 18, 1997) changing the name of the "Department of Finance and Revenue" to the "Office of Tax and Revenue."

301 SUBMISSION OF PROPOSED REAL PROPERTY TAX RATES

- 301.1 On or before July 15th of each year the Mayor shall submit to the Council of the District of Columbia (Council), in accordance with the provisions of the Act, a proposed real property tax rate for the tax year; Provided, that the Mayor may extend for up to thirty (30) days the period for submitting the tax rate.
- 301.2 At the time the Mayor submits to the Council the proposed tax rate under §301.1, the Mayor shall also submit, in addition to other information required by the Act, the real property tax rate (rounded to the nearest penny) calculated to yield in the tax year the same amount of revenue (exclusive of the revenue attributable to new construction) as was raised by the tax at the rate applicable during the year preceding the tax year.

- 301.3 When the rounding of the tax rate in accordance with §301.2 does not yield the same amount of revenue as was obtained from the previous year's levy, the tax rate shall be increased to the nearest penny which will yield at least the same amount of revenue.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §102(a).

302 ESTABLISHMENT OF REAL PROPERTY TAX RATES

- 302.1 The Council, after public hearing, shall establish each year a tax rate within thirty (30) days after receipt of the proposed rate submitted by the Mayor.
- 302.2 The Council may, by resolution, extend the time for setting the rate of taxation, except that if the Council does adopt an extension, it must establish the tax rate for the tax year.
- 302.3 In establishing the rate each year, the Council shall consider the tax burden studies made pursuant to §303 and any other comparisons it deems advisable to make.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§102(b), 102(c).

303 TAX RATE AND BURDEN STUDIES

- 303.1 On or before June 30th of each year, the Mayor shall compile and publish studies based on the best information available regarding the relative amount of tax burden for all major taxes compared with those in surrounding jurisdictions in the Washington Metropolitan Area and other cities of comparable size.
- 303.2 For the purpose of this chapter, the terms "vicinity of the District" and "Washington Metropolitan Area" mean Prince Georges and Montgomery Counties in the State of Maryland; Arlington and Fairfax Counties in the Commonwealth of Virginia; and the cities of Alexandria and Fairfax in the Commonwealth of Virginia.
- 303.3 For the purposes of this chapter, the term "cities of comparable size" means at least the thirty (30) largest cities in the United States as listed in the United States Bureau of the Census population studies.
- 303.4 Major taxes for purposes of tax burden studies of individuals shall include, but not necessarily be limited to, individual income taxes, real property taxes, sales taxes, and motor vehicle taxes.
- 303.5 The tax impact study on businesses shall be an annual study which shall present business tax rate comparisons. Major taxes for purposes of comparing tax rates on businesses shall include, but not necessarily be limited to, real property taxes, business income taxes, personal property taxes, and major excise taxes.
- 303.6 For purposes of §413 of the Act, with respect to exempt property, major classes of property shall mean, at least the following classes:

- (a) Properties owned by the United States government;
- (b) Properties owned by the District government; and
- (c) All exempt properties other than properties owned by the United States government or the District of Columbia government.

303.7 For purposes of §413 of the Act, with respect to taxable properties, major classes of property shall mean at least the following classes:

- (a) Residential real property; and
- (b) Commercial real property.

303.8 Residential property shall include the following:

- (a) Vacant land zoned for residential use;
- (b) Residential garages; and
- (c) All improved property used primarily for residential dwelling purposes, including detached dwellings, semi-detached dwellings, row dwellings, flats, residential condominiums, cooperatives, and apartments.

303.9 Commercial property shall include all taxable real property other than residential property.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§101, 102(c).

304 ASSESSMENT AREAS AND ASSESSMENT STUDIES

304.1 The Mayor shall annually prepare an assessment-sales ratio study for major classes of property for the entire District and for major classes of property within each assessment area for which sufficient data is available, as determined by the Mayor. Results of the study shall be published in the *D.C. Register* and made available to the news media.

304.2 The Mayor may designate geographic assessment areas for purposes of analyzing market values. An "assessment area" is a geographic area within the District which has been designated by the Mayor as an area for assessment purposes.

304.3 The boundaries of the assessment areas may be changed as necessary in order to reflect changing economic or other conditions which have a bearing on the market value of properties.

304.4 For the purpose of analyzing market values, the Mayor may, if he or she deems it desirable, analyze values by types of property (for example, all motels or all hotels) rather than only those types of properties located in a geographical area.

- 304.5 Descriptions of the boundaries of assessment areas or maps showing these boundaries shall be made available to the public during normal business hours.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§101, 103, and 107.

305 ASSESSMENTS

- 305.1 All real property shall be assessed on an annual basis.
- 305.2 For the purposes of this chapter, the term "real property" means real estate identified by plat on the records of the District of Columbia Surveyor according to lot and square, together with improvements on that real estate.
- 305.3 For the purposes of this chapter, except where specifically provided otherwise, the word "assess" means to value real property for tax purposes.
- 305.4 For the purposes of this chapter, except where specifically provided otherwise, the word "assessment" means a real property valuation established by the Deputy Chief Financial Officer for tax purposes against which the rate of tax is applied to arrive at the tax liability.
- 305.5 For the purposes of this section, the terms "assess" and "assessed" do not include changes in assessed value resulting from new construction, additions to existing structures, damages to or destruction of property, and any other similar changes specified in D.C. Code §§47-829 and 47-830 (1981 Ed.).

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§101, 104.

306 ASSESSED VALUE

- 306.1 The assessed value of all real property shall be the proposed estimated market value established on or before January 1st of the year preceding the tax year, as determined by the Deputy Chief Financial Officer, except as follows:
- (a) The assessed value of new structures and other improvements added to the assessment roll as of July 1st each year shall be the estimated market value as of that July 1st; and
 - (b) The assessed value of new structures and improvements added to the assessment roll as of January 1st each year shall be the estimated market value as of January 1st of the tax year.
- 306.2 The assessed value of a property shall be established on the basis of the most current, accurate, and conclusive evidence of market value available at the time the assessed value is determined, in accordance with the provisions of §307.
- 306.3 The Deputy Chief Financial Officer is authorized to conduct exterior and interior inspection of a property if, in the Deputy Chief Financial Officer's judgment, an inspection is necessary in order to establish the assessed value of the property.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§105, 106.

307 DETERMINATION OF ASSESSED VALUE

- 307.1 In determining the assessed value of property the Deputy Chief Financial Officer shall take into account all available information which may have a bearing on the market value of the real property including, but not limited to, the following:
- (a) Government imposed restrictions;
 - (b) Sales information for similar types of real property;
 - (c) Mortgage or other financial considerations;
 - (d) Replacement costs, less accrued depreciation because of age, condition, and other factors;
 - (e) Income earning potential (if any);
 - (f) Zoning;
 - (g) The highest and best use to which the property can be put; and
 - (h) The present use and condition of the property and its location.
- 307.2 In considering the factors set forth in §307.1, the Deputy Chief Financial Officer may apply, when appropriate, one or more of the generally recognized approaches to valuation set forth in this section or any other method the Deputy Chief Financial Officer deems necessary to arrive at estimated market values.
- 307.3 The Deputy Chief Financial Officer may utilize the comparable sales approach to valuation, which bases assessed value on the price or prices at which reasonably comparable properties have recently sold, in accordance with the following guidelines:
- (a) Sales which represent arm's length transactions between buyer and seller shall be used in analyzing market values. Sales which do not represent arm's length transactions shall either be adjusted for differences or disregarded; and
 - (b) Sales comparisons should be made by property type within an assessment area; Provided, that if sufficient sales data for an assessment area is not available, sales data from other similar areas may be used.
- 307.4 The Deputy Chief Financial Officer may utilize the replacement cost approach to valuation, which bases assessed value on the cost of replacing property with new property of similar utility at present price levels, in accordance with the following guidelines:
- (a) The replacement cost of a property may be estimated by either of the following methods:

307.4 (Continued)

- (1) Adjusting the property's original cost for price level changes; or
 - (2) Applying current prices to the property's labor and materials components and taking into account any other costs typically incurred in bringing the property to a finished state.
- (b) Replacement cost shall be reduced by the amount of depreciation or estimated loss of value because of age, condition, or other factors.

307.5 The Deputy Chief Financial Officer may utilize the income approach to valuation, which bases assessed value on the amount that investors would be willing to pay to receive the income that the property could be expected to yield, in accordance with the following guidelines:

- (a) An indication of the value of an income producing property may be estimated by computing the present worth of a future income stream;
- (b) The income stream shall be capitalized or converted into an indicated value; and
- (c) The amount to be capitalized may be either the gross return or the net return.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§101, 108.

308 INFORMATION TO BE PROVIDED BY PROPERTY OWNERS

- 308.1 If the Deputy Chief Financial Officer determines that, in order to carry out the functions and responsibilities of the Mayor under the Act, facts in the possession of a property owner should be made available, the Deputy Chief Financial Officer may, by written notice to the property owner, require the owner to provide such facts as, in the discretion of the Deputy Chief Financial Officer, will assist the Deputy Chief Financial Officer to determine the estimated market value of the property.
- 308.2 Information provided in response to the notice given under §308.1 shall be given on the form prescribed by the Deputy Chief Financial Officer.
- 308.3 In the absence of any extension of time granted by the Deputy Chief Financial Officer, the information filed in accordance with §§308.1 and 308.2 shall be filed with the Deputy Chief Financial Officer within thirty (30) days from the date on which the written notice was mailed to the property owner.
- 308.4 Any information obtained from a property owner pursuant to this section concerning any income derived from investment or income-producing real property shall be handled in the same confidential manner as is provided in paragraphs (a), (b), (c), and (d) of D.C. Code §47-1805.4 (1981 Ed.).
- 308.5 Any violation of the provisions of §308.1 shall be a misdemeanor and shall be punishable by a fine not exceeding one thousand dollars (\$1,000) or imprisonment for six (6) months, or both, in the discretion of the Court.

- 308.6 All prosecutions under this section shall be brought in the Superior Court of the District of Columbia on information by the Corporation Counsel of the District of Columbia (or an Assistant Corporation Counsel) in the name of the District of Columbia.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §109.

309 AVAILABILITY OF RECORDS

- 309.1 The preliminary assessment roll, as prescribed by §424(a) of the Act, all maps, field books, assessment sales-ratio studies, copies of any documents received from the Office of the Surveyor, and plats shall be available for public inspection during normal business hours.
- 309.2 Records of individual properties, including any notes, memoranda, and statement(s) indicating the basis upon which the real estate has been assessed, shall be open for inspection by the taxpayer or the taxpayer's designated agent during normal business hours; Provided, that a taxpayer may be required to give the Deputy Chief Financial Officer notice of his or her intention to inspect records at least twenty-four (24) hours before the inspection.
- 309.3 Copies of all material shall be furnished to any person upon request for a charge not to exceed the cost of producing the copies.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §110.

310 PUBLICATION OF ASSESSMENT LISTINGS

- 310.1 The Deputy Chief Financial Officer shall publish annually a listing of the assessed value of each property by lot, square, and address where available.
- 310.2 The Deputy Chief Financial Officer shall publish the annual listing in sufficient quantity to allow for distribution to the Municipal Center, the One Judiciary Square Building, the main public library, and at least one (1) public library branch in each of the eight wards of the city.
- 310.3 A notice of publication and the locations where the listing is available for review shall be published in the *D.C. Register*.
- 310.4 Additional copies of the listing shall be made available to the public upon request at the lowest charge which would cover the cost of reproducing the listing.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §111.

311 NOTICE TO TAXPAYERS

- 311.1 The Deputy Chief Financial Officer shall notify each owner of taxable property by mail of the assessment of the owner's real property for the next fiscal year.

- 311.2 The notice or accompanying statement shall include all of the information required by §425 of the Act (D.C. Code §47-824 (1981 Ed.)).
- 311.3 Notices shall be mailed as soon as possible after January 1st of each year, but not later than March 1st of each year.
- 311.4 Unless otherwise specified, any notice, bill, or statement required by this chapter or other applicable provision of law to be served upon the property owner shall be deemed to be served when mailed by first class mail to the last known address of the property owner as recorded in the real estate assessment records of the District.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §112.

312 INFORMATION FROM DISTRICT OF COLUMBIA AGENCIES

- 312.1 Within five (5) days from the date of the filing of a deed recordation tax return, the Recorder of Deeds shall transmit the return to the Office of Tax and Revenue.
- 312.2 The Department of Consumer and Regulatory Affairs shall forward to the Office of Tax and Revenue a copy of each building permit relating to structural, electrical, or plumbing changes within five (5) days from the date the permit is approved.
- 312.3 The Zoning Commission shall provide to the Office of Tax and Revenue a detailed listing of each zoning and land use change within ten (10) days from the date of adoption of the change.
- 312.4 The Board of Zoning Adjustment shall submit to the Office of Tax and Revenue each approved zoning variance within fifteen (15) days from the date of the adoption of the variance.
- 312.5 The Office of the Surveyor shall provide to the Office of Tax and Revenue copies of each plat recorded in the subdivision books, each plat recorded in connection with condominiums, and a copy of each other plat recorded with respect to record lots within ten (10) days after the plat is recorded with the Office of the Surveyor.
- 312.6 The Fire Marshal of the Department of Fire and Emergency Medical Services shall, on or before the tenth (10th) day of each month, provide the Office of Tax and Revenue with a listing of each real property in the District which has been damaged or destroyed by fire.
- 312.7 The Deputy Chief Financial Officer, upon request, may extend the time for the filing of any documents required by this section to be filed with the Office of Tax and Revenue.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §113.

313 PAYMENT OF REAL PROPERTY TAX

- 313.1 Real property taxes are payable semi-annually in the months of September and March, except as provided in §313.2.

- 313.2 If the Council does not set the tax rate by August 15th of the tax year, the first-half bill shall be due and payable thirty (30) days after the date of the mailing of the tax bills. If the due date for payment is extended in accordance with this subsection, liability for penalty and interest shall not begin to accrue until after the expiration of the period for payment.
- 313.3 The tax bill shall include the following:
- (a) The identity of the property by parcel or lot, and by square number;
 - (b) The amount of tax due; and
 - (c) The manner in which the tax is payable according to law.
- 313.4 The tax bill shall also identify each tax year, commencing with tax year 1980, for which any taxes remain unpaid, and state for each unpaid amount the penalty and interest accrued thereon.
- 313.5 If there are delinquent taxes owed on a parcel of real property, and in the absence of written instructions to the contrary from the taxpayer, monies received in payment of real property taxes shall be applied (to the extent possible until those monies are expended) in the following order:
- (a) First, to the payment of the delinquency of longest standing, and then to the penalty and interest due on that delinquency;
 - (b) Second, to the payment of the delinquency of next longest standing, and then to the penalty and interest accrued on that delinquency;
 - (c) Third, to any remaining delinquency or delinquencies, and then to the penalty and interest accrued on each delinquency; and
 - (c) Fourth, to the current tax liability.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§116, 137; as amended by Final Rulemaking published at 29 DCR 1908 (May 7, 1982).

314 NOTICE OF DELINQUENT TAXES

- 314.1 Prior to July 1st of each year, a notice of delinquent tax shall be mailed to the record owner (or the designated representative of the record owner) of real property upon which any tax for the current fiscal year is unpaid after March 31st.
- 314.2 Prior to December 1st of each year, a second notice of delinquent tax shall be mailed to the record owner (or the designated representative of the record owner) of real property upon which any amount of tax for the fiscal year ending on the preceding June 30st has not been paid.
- 314.3 The notices required under this section shall state that the real property involved will be sold at public auction at the next scheduled tax sale if the taxes due and owing, including any penalty and interest due, are not paid prior to the sale.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §117.

315 DELINQUENT TAX LIST

- 315.1 A list of all taxes, charges, and assessments on real property in the District subject to taxation on which the taxes, charges, and assessments have been levied and are in arrears on the first (1st) day of July of each year shall be prepared, in accordance with the provisions of this section.
- 315.2 Each item on the delinquent tax list shall contain the name of the owner of the property, a description of the delinquent property by parcel, square, and lot numbers, and shall indicate the total amount of taxes, penalties, interest, and other charges due.
- 315.3 A real property shall be deleted from the delinquent tax list upon payment at any time up to the time of the tax sale of all taxes, penalties, interest, and other charges due.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§118, 119, and 120.

316 SALE OF PROPERTY FOR DELINQUENT TAXES

- 316.1 All properties remaining on the delinquent tax list shall be sold at public auction beginning at the time and place specified in the notice provided for in this section.
- 316.2 A notice of sale of property set forth on the delinquent tax list prepared under §315 of this chapter shall be advertised once in two (2) general circulation newspapers published in the District once every two (2) weeks or more frequently. The notice shall be published at least three (3) weeks prior to the day fixed for the sale.
- 316.3 The notice of sale shall state that the property will be sold at public auction to the highest bidder, and shall recite the date, time, and place of the sale. The notice of sale shall also set forth the types of delinquent taxes, charges, and assessments for which the property is being sold.
- 316.4 At the tax sale, each property to be sold shall be announced by lot, square, and parcel numbers.
- 316.5 A bidder at the tax sale shall bid by stating his or her name or, if the bidder is acting for another, the name of the principal.
- 316.6 The opening bid shall be at least equal to the total amount of tax, penalty, interest, and other charges due to the District.
- 316.7 If no bid is received for a property which is at least equal to the total amount of tax, penalty, interest, and other charges due, the property shall be deemed bid off and sold to the District.

- 316.8 Each purchaser of property at a tax sale shall be required to deposit with the District at the time of sale not less than twenty percent (20%) of the purchase price as a guarantee of the payment of a total amount required to be paid by the purchaser.
- 316.9 The deposit of any purchaser at a tax sale who fails to pay the full amount of the bid price, including surplus, within five (5) days after the last day of the sale shall be forfeited to the District.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§121, 122, and 123; as amended by §2 of the Real Property Tax Sale Regulations Amendment Act of 1983, D.C. Law 5-8, 30 DCR 1789 (April 22, 1983).

317 RECORDING OF SALES AND REDEMPTION PERIOD

- 317.1 A certificate of sale shall be issued to the purchaser of each property sold at the tax sale.
- 317.2 Within twenty (20) days (excluding Saturdays, Sundays, and legal holidays) after the last day of the tax sale, a written report describing each property sold (except those bid off to the District) shall be filed with the Recorder of Deeds containing the following:
- (a) A description of each property;
 - (b) The person to whom the property is assessed;
 - (c) The tax, penalty, and other charges due;
 - (d) The name of the purchaser;
 - (e) The sale price;
 - (f) The date on which the property was sold;
 - (g) The costs of sale involved; and
 - (h) The surplus bid for the property, if any.
- 317.3 Not less than thirty (30) days prior to the expiration date of the two (2) year redemption period, the record owner shall be notified, by certified or registered mail, of the final date by which the record owner must redeem the property.
- 317.4 Upon issuance of a deed to the District of Columbia pursuant to §437 of the Act, all outstanding taxes, penalties, interest, and charges of any kind which may be due on the property described in the deed shall be expunged.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCR §§124 through 127.

318 TAX DEFERRAL

- 318.1 A taxpayer eligible under §435 of the Act may defer payment of any real property tax owed in excess of one hundred ten percent (110%) of the taxpayer's real property tax liability for the immediately preceding year.
- 318.2 A taxpayer eligible under §436 of the Act may defer payment of any real property tax owed which is attributable to an increase in assessed value of more than twenty-five percent (25%) over the assessment of the immediately previous fiscal year.
- 318.3 The eligible taxpayer must have owned the residential real property for which the tax deferral is claimed for at least sixty (60) consecutive months prior to July 1st of the tax year in which the deferral is requested.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §128.

319 TAX DEFERRAL COMPUTATIONS

- 319.1 Increases in assessed valuation resulting from improvements made since the last previous assessment may not be included in the calculation of the increase in real estate tax payable for purposes of §§435 and 436 of the Act.
- 319.2 The amount of increased value resulting from improvements to the property shall be provided by the Deputy Chief Financial Officer upon request.
- 319.3 Any increase in tax attributable to an increase in the tax rate shall not be included in the computation of deferral amount in the case of an eligible taxpayer with a household adjusted gross income in excess of twenty thousand dollars (\$20,000).
- 319.4 For purposes of the application of §§435 and 436 of the Act, the words "combined household adjusted gross income" shall mean the adjusted gross incomes (for District income tax purposes) of all members of the taxpayer's family who resided on the residential real property during the previous calendar year.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§129, 131.

320 REQUESTS FOR DEFERRAL OF TAX

- 320.1 Written requests for deferral shall be filed at the same time that the first half tax bills are due and payable.
- 320.2 The amount of deferral for which the taxpayer is eligible shall be refunded after review and approval of the request for deferral.
- 320.3 Reasonable extensions of time may be granted by the Deputy Chief Financial Officer upon written request and for good cause shown.

- 320.4 Adjustments in tax liability resulting from tax deferrals shall be made on the second half tax bill. No adjustments shall be made on the first half tax bill.
- 320.5 A taxpayer who elects to pay both the first half and second half bills on or before the due date for the first half payment shall not deduct the claimed amount of deferral from the amount of tax due.
- 320.6 Taxes deferred pursuant to §§435 and 436 of the Act shall bear interest compounded annually. The interest applied in each year shall be the average Treasury Bill rate for the twelve (12) months preceding July 1st of the tax year in which the deferral is granted, as certified by the Secretary of the Treasury to the Deputy Chief Financial Officer.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §130.

321 TAX RELIEF FOR HISTORIC SITES

- 321.1 The Joint Committee on Landmarks of the National Capital (also referred to in this section as the "Joint Committee") shall, on or before December 15, 1975, provide the Mayor with a listing of all buildings which it has designated historic landmarks, and shall notify the Mayor on or before June 15th and December 15th of each succeeding year of any additions or deletions to that listing.
- 321.2 In order to be eligible for tax relief provided by §432 of the Act, owners of buildings which have been designated historic landmarks by the Joint Committee shall enter into an agreement with the Mayor for a period of not less than twenty (20) years to use and maintain the building in a manner which will assure the continued maintenance and preservation of the building as an historic site.
- 321.3 An eligible building for which the owner has entered into an agreement with the Mayor in accordance with §321.2 shall, in addition to being assessed at full market value, be assessed, both as to land and improvements, as an historic site.
- 321.4 Assessment as an historic site, if it is less than the full market value determined without regard to the historic nature of the building, shall be the basis of tax liability in the District.
- 321.5 If the Deputy Chief Financial Officer determines that a building (or any part of it) for which an agreement has been entered into (in accordance with §321.2) was not used and properly maintained in accordance with the agreement during all or any part of any fiscal year, that building (or part of a building) shall be assessed for the fiscal year (or part of fiscal year) on the basis of full market value.
- 321.6 The difference, if any, between the assessments made on the basis of full market value and assessments primarily made on the basis of the current use of the land and improvements shall be the basis of tax liability for violation of the agreement.
- 321.7 Any back taxes, plus interest at the prevailing U.S. Treasury Bill rate of interest for the fiscal year (or part of it) during which the terms of the agreement were not met, which may be due and owing shall be payable within sixty (60) days after the date

of mailing by the Deputy Chief Financial Officer to the owner of a notice of the amount of taxes and interest due.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §132.

322 EXEMPTION FROM PAYMENT OF PROPERTY TAX

322.1 Real property shall meet the following conditions to be eligible for exemption from taxation:

- (a) Title to the real property for which exemption is sought shall be recorded in the name of the organization or institution requesting exemption from taxation on or prior to the effective date of the exemption;
- (b) The property shall be occupied by and used by the organization or institution seeking exemption for at least one (1) of the types or categories of exempt purposes as defined in the real estate tax exemption Act of December 24, 1942 (D.C. Code §47-1002);
- (c) The property shall be transferred to a qualifying lower income homeownership in accordance with §4(c) of the Lower Homeownership Tax Abatement and Incentives Act of 1983 (D.C. Code §47-3501 *et seq.*); or
- (d) The property shall be transferred to a qualifying nonprofit housing organization in accordance with §6 of the Lower Income Homeownership Tax Abatement and Incentives Act of 1983.

322.2 Each application for an exemption of real property shall be in writing and filed with the Deputy Chief Financial Officer, except as provided in §322.3.

322.3 The following properties are exempt from the requirement for a written application for property tax exemption:

- (a) Property owned by the United States government;
- (b) Property owned by the government of the District of Columbia;
- (c) Property owned by the Commonwealth of the Philippines and used for government purposes;
- (d) Property owned by foreign governments not under a treaty agreement and used for legation purposes; and
- (e) Property specifically exempt by Act of Congress.

322.4 The following information shall be included in an application for exemption:

- (a) The name of the applicant;
- (b) Location, square, and lot number of the real property involved;

- (c) The date on which the real property was acquired;
 - (d) The current and proposed future use of the real property;
 - (e) A description of the activities of the applicant;
 - (f) The name, address, and telephone number of a person to be contacted for an inspection of the real property; and
 - (g) Other information that the Deputy Chief Financial Officer may require.
- 322.5 Real properties for which an application for an exemption has been filed shall be physically inspected to verify and evaluate data in the application and results of the inspection will be recorded.
- 322.6 Written notice of the decision on an application for exemption shall be mailed to the applicant and shall cite the provision of law under which an exemption is granted and the effective date of the exemption, if approved; or the reason for denial of the exemption.
- 322.7 If a request for an exemption is denied, the procedure for appeal shall be included in the notice to the applicant for exemption.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§133, 134; as amended by Final Rulemaking published at 32 DCR 1360 (March 8, 1985).

323 TAXABLE OR EXEMPT STATUS

- 323.1 Tax status of any real property on July 1st of any year will prevail for the respective property for the entire fiscal year, except for properties sold by the U.S. government after July 1st, in which case the property tax will be computed on a *pro rata* basis beginning with the date of sale, and will be payable by the property buyer.
- 323.2 Requests for exemption from property tax if approved are effective on July 1st of the fiscal year for which the exemption is granted.
- 323.3 Property (except property sold by the United States government) which loses its exempt status for any reason becomes taxable on July 1st following the date on which the exemption expires.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCR §135.

324 ANNUAL REPORT ON EXEMPT REAL PROPERTY

- 324.1 Each owner of real property exempt from taxation, except the United States government, the District government, and foreign governments, shall submit to the Deputy Chief Financial Officer a report on or before March 1st of each year stating under oath the purpose(s) for which the exempt property has been used during the preceding calendar year.

- 324.2 Annually, on or before February 1st, a notice of the reporting requirement, together with the report form prescribed by the Deputy Chief Financial Officer, shall be mailed to each owner of exempt property.
- 324.3 A second notice shall be mailed to each non-responding owner not later than ten (10) days prior to March 1st of each year restating the filing requirement.
- 324.4 Failure of the owner to receive the notice or report form shall not relieve the owner from compliance with the requirements of §324.1.
- 324.5 For good cause shown, the Deputy Chief Financial Officer may extend the time for filing an annual report of an exempt organization for a period not to exceed thirty (30) days after March 1st; Provided, that the request for extension must have been filed prior to March 1st.
- 324.6 Annual reports will be reviewed each year to determine eligibility for exemption for the ensuing fiscal year.
- 324.7 The Deputy Chief Financial Officer may require the furnishing of additional information and may conduct a physical inspection of the property, at his or her discretion.
- 324.8 Any property no longer eligible for exemption shall be returned to a taxable status effective July 1st of the ensuing fiscal year and the owners shall be notified of the taxable status in writing.
- 324.9 If, after the filing of the annual report but prior to July 1st of any year, it is determined by the Deputy Chief Financial Officer that the property is no longer entitled to be exempt from tax, the exemption shall be terminated as of July 1st of the year of filing.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCRR §§136, 138, and 140.

325 ASSESSMENT OF UNREPORTED EXEMPT PROPERTIES

- 325.1 If the report required to be filed by §324.1 is not filed within the time provided for filing (including any extension granted by the Deputy Chief Financial Officer under §324.5), the property affected shall immediately be assessed and taxed.
- 325.2 The tax assessed under this section shall be for a minimum period of thirty (30) days.
- 325.3 A tax bill shall be mailed to the owner for each month or portion of a month that the report remains unfiled, together with interest on the amount due at the rate provided by law.
- 325.4 Exempt properties upon which taxes are delinquent are subject to inclusion in the annual tax sale in the same manner as other delinquent properties.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 21 DCR 1643 (January 20, 1975), 16 DCR §139.

326 DIRECT PAYMENT IN LIEU OF TAXES - LOW AND MODERATE INCOME HOUSING

- 326.1 Multi-family rental and cooperative housing for low and moderate income persons who are receiving assistance through one or more of the federal programs specified in D.C. Law 2-116 (D.C. Code §47-1002(20)A (1981 Ed.)), shall be eligible for exemption from real property taxation if the owner(s) of the property submit(s) the following to the Deputy Chief Financial Officer:
- (a) An initial application for exemption;
 - (b) An annual income and expense statement; and
 - (c) A payment in lieu of taxes.
- 326.2 The income and expense statement shall be submitted by March 1st of each year, and shall reflect the gross income derived from the operation of the building during the latest completed annual accounting period.
- 326.3 The payment in place of taxes must be made on or before September 15th of each year.
- 326.4 If the owner(s) of the property is not organized for profit, no payment shall be required.
- 326.5 If the owner(s) of the property is organized as a limited dividend or limited profit owner, or a profit owner, a payment, in an amount equal to five percent (5%) of the gross income derived from the operation of the building during the latest completed annual accounting period, shall be required.
- 326.6 If the owner(s) of property exempt under D.C. Law 2-116 fails to make the in lieu of taxes payment in the manner prescribed in §326.5, the property shall be subject to inclusion in the annual tax sale.

SOURCE: Final Rulemaking published at 25 DCR 8229 (March 2, 1979), 16 DCR §137.

327 TAXATION OF MIXED USE PROPERTY

- 327.1 The Deputy Chief Financial Officer shall make every effort to afford affected taxpayers the opportunity to apply and qualify for mixed use status, but it shall be the affected taxpayer's responsibility to inform the Deputy Chief Financial Officer of the existence of a mixed use property by properly completing and timely filing the mixed use form. The classes of property for tax purposes are set forth in D.C. Code §47-813 and §9903 of this title.
- 327.2 For the purposes of this chapter, an "affected taxpayer," is an owner of real property in the District who is required to file a mixed use form in accordance with the provisions of this section.

- 327.3 An application properly completed and timely filed in accordance with §3(c) and §3(d)(3) of the Residential Property Tax Relief Act of 1977, as amended, effective February 28, 1978 (D.C. Law 2-45; D.C. Code §47-850 (1981 Ed.)), shall be required for purposes of classifying real property as Class One Property and imposing the applicable rate of taxation on the property.
- 327.4 If any mixed use form is not submitted (postmarked) to the Office on or before June 1st of the year in which such forms are mailed to affected taxpayers, or within the time extended by the Deputy Chief Financial Officer, or any mixed use form is timely submitted (postmarked) on or before June 1st, but is either inaccurate or incomplete and, after written notice from the Deputy Chief Financial Officer and, in the opinion of the Deputy Chief Financial Officer, remains inaccurate or incomplete, the Deputy Chief Financial Officer shall classify the affected taxpayer's real property as Class Four Property for the next taxable year (July 1st - June 30st).
- 327.5 The Deputy Chief Financial Officer shall notify affected taxpayers of Class Four Property status which results because of the application of §327.3 through the billing process or by any other method which is deemed appropriate.
- 327.6 Whenever the mixed use form or information sought under the form, or records or documents sought to completely and accurately inform the Deputy Chief Financial Officer as to the mixed use of the property are not submitted in the time provided for by this chapter, and it is shown to the Deputy Chief Financial Officer's satisfaction that the failure to provide the form, information, record, or document was due to reasonable cause and was not due to simple neglect, the Deputy Chief Financial Officer shall apportion the mixed uses of the property according to the best information available.
- 327.7 In order to receive Class Three classification, the property in question shall be subject to the Hotel Occupancy Tax imposed under the provisions of D.C. Code §§47-3201 *et seq.*

SOURCE: Final Rulemaking published at 27 DCR 1324 (March 28, 1980), incorporating text of Proposed Rulemaking published at 27 DCR 708, 711 and 712 (February 15, 1980), 16 DCRR §§303, 305, 306(b); as amended by Final Rulemaking publishing at 33 DCR 4119 (July 11, 1986).

328 APPLICATION FOR MIXED USE CLASSIFICATION

- 328.1 The mixed use form shall be mailed by the Deputy Chief Financial Officer to all homeowners of income producing properties in the District. The form shall also be available, upon request, from the Real Property Tax Administration.
- 328.2 Separate mixed use forms shall be required for each mixed use property, except as otherwise directed by the Office.
- 328.3 The mixed use form to be completed by affected taxpayers shall contain a request for the following general information with respect to the mixed use property for the reporting period in question:
- (a) Property identification, including but not limited to square, suffix, and lot;

- (b) The square foot area of improved residential real property defined as Class One Property, if any, and the square foot area of improved real property defined as Class Three Property, if any, and the square foot area of improved real property defined as Class Four Property, if any. [Note: The classes of property for tax purposes are defined in Chapter 99 of this title and D.C. Code §47-813 (1981), as amended by the Real Property Tax Rates for Tax Year 1986 and Classifications Amendment Act of 1985, effective November 19, 1985 (D.C. Law 6-51; 32 DCR 5681)];
 - (c) The square foot area of improved residential real property defined as Class Two Property, if any, and the square foot area of improved real property defined as Class Three Property, if any, and the square foot area of improved real property defined as Class Four Property, if any;
 - (d) The total building area (square foot area) of Class One Property, if any, and Class Three Property, if any, and Class Four Property, if any;
 - (e) The total building area (square foot area) of Class Two Property, if any, and Class Three Property, if any, and Class Four Property, if any;
 - (f) The affected taxpayer's social security number and date of purchase of the mixed use property if Class One Property is identified. The Deputy Chief Financial Officer may utilize this information for purposes of applying the homestead (homeowner's) exemption under the Residential Real Property Tax Relief Act of 1977, as amended;
 - (g) The affected taxpayer's business registration number. The Deputy Chief Financial Officer may utilize this information for purposes of verifying that the taxpayer is subject to taxes imposed under the District of Columbia Code; and
 - (h) A certification from the owner or owner's agent that the information supplied on the mixed use form is complete and accurate and the date of certification.
- 328.4 In addition to the information required in §328.3, the Deputy Chief Financial Officer may, in his or her discretion, by written notice to the affected taxpayer, require the taxpayer to provide those records and documents that will assist in determining or substantiating the mixed use classes within the property.
- 328.5 In the absence of any extension of time for good cause as determined and granted by the Deputy Chief Financial Officer, all records and documents requested under §328.4 shall be filed with the Office within thirty (30) days from the time of the mailing of the written notice to the affected taxpayer, or as otherwise specified.

SOURCE: Final Rulemaking published at 27 DCR 1324 (March 28, 1980), incorporating text of Proposed Rulemaking published at 27 DCR 708, 710 (February 15, 1980); as amended by Final Rulemaking publishing at 33 DCR 4119 (July 11, 1986).

329 TIME LIMITATIONS AND EXTENSIONS OF TIME

- 329.1 The information required to be accurately completed on the mixed use form must be delivered to the Office at the address provided on the form (or in any

- accompanying instructions) not later than June 1st of the year in which the forms are mailed to affected taxpayers.
- 329.2 Mixed use forms will be mailed to affected taxpayers approximately thirty (30) days prior to the due date provided for in §329.1.
- 329.3 For the purposes of this section, the word "delivered" also includes a timely postmark if mailed.
- 329.4 Unless the postmark is illegible, no proof of a different postmark will be accepted other than a registered or certified mail receipt or an affidavit from the proper postal representative.
- 329.5 If the postmark is illegible, an affected taxpayer shall submit a duly notarized affidavit which indicates a timely postmark.
- 329.6 In computing any period of time prescribed or allowed, the day of the act from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or a legal holiday, in which case the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday.
- 329.7 An extension of time to submit the forms may be granted, in the discretion of the Deputy Chief Financial Officer, for good cause.
- 329.8 A request for an extension of time to file shall be submitted (postmarked) to the Office not later than May 20th of the year in which the forms are mailed to affected taxpayers. Requests for extensions delivered after that date will not be granted.
- 329.9 If, in the opinion of the Deputy Chief Financial Officer, a mixed use form delivered prior to the deadline set forth in this section has not been accurately completed (that is, it is either inaccurate or incomplete), the Deputy Chief Financial Officer may so inform the affected taxpayer (or the taxpayer's agent), and request that the form be accurately completed. In no instance shall the Deputy Chief Financial Officer be accountable for the accuracy or correctness of the mixed use form supplied and certified to by the affected taxpayer or agent of the taxpayer.
- 329.10 The mixed use form shall be filed annually on or before the date provided for in §329.1.
- 329.11 Failure of the Office to mail a mixed use form to an affected taxpayer shall in no manner diminish the obligation of the taxpayer to secure and file in a timely manner a mixed use form.
- 329.12 Notwithstanding the provisions of §§329.1, 329.2, and 329.8, for the tax year beginning July 1, 1985 and ending June 30, 1986, the Deputy Chief Financial Officer, in order to implement the provisions of the Real Property Tax Rates for Tax Year 1986 and Classifications Amendment Act of 1985, effective November 19, 1985 (D.C. Law 6-51; 32 DCR 5681) shall extend until July 18, 1986 the time for submitting the mixed use form for mixed use property containing Class Three Property.

- 329.13 The Deputy Chief Financial Officer shall make, through the billing process or by any other method which is deemed appropriate, any adjustments necessary in the tax liability of an affected property due to a change in tax classification as reported on the mixed use form submitted in accordance with §329.12.

SOURCE: Final Rulemaking published at 27 DCR 1324 (March 28, 1980), incorporating text of Proposed Rulemaking published at 27 DCR 708, 711 (February 15, 1980); as amended by Final Rulemaking publishing at 33 DCR 4119, 4120 (July 11, 1986).

330 INCOME AND EXPENSE REPORTING BY OWNERS OF INCOME-PRODUCING PROPERTY

- 330.1 The provisions of §§330 - 339 implement the "District of Columbia Real Property Tax Revision Act of 1974," as amended by §5 of the "Residential Property Tax Relief Act of 1977" (D.C. Law 2-45; D.C. Code §47-821), and are issued under the authority of §422(d) of that Act and Mayor's Order 78-168 (August 28, 1978).
- 330.2 The provisions of §§330 - 339 supersede any previous requirements and rules regarding the filing of an income-expense form for income-producing properties for the 1978 reporting period and the imposition of a ten percent (10%) penalty for failure to file such a form under those requirements and rules. In addition, these rules are effective for subsequent reporting years until and unless superseded.
- 330.3 For the purposes of §§330 - 339, the term "actual gross income" means the following:
- (a) In the case of an affected taxpayer's reporting on a cash basis, all of the income actually collected during the reporting period from rentals, parking, and miscellaneous sources, but not to include advance or security deposits, tenant reimbursements for capital improvements or reimbursements for casualty losses; and
 - (b) In the case of an affected taxpayer's reporting on an accrual basis, all of the income actually accrued, during the reporting period, from rentals, parking, and miscellaneous sources, but not to include advance or security deposits, tenant reimbursements for capital improvements or reimbursements for casualty losses.
- 330.4 An affected taxpayer under §§330 - 339 is the owner (or owners) of income-producing property or properties in the District who is (are) required to file an income-expense form under the Act and in accordance with the provisions of this chapter.
- 330.5 Separate income-expense forms for separate income-producing properties are required, unless otherwise directed by the Office.
- 330.6 In the following instances, there shall be added to the real property tax levied for the next ensuing tax year a penalty in the amount of ten percent (10%) of the tax:

- (a) If an income-expense form is not delivered to the Office on or before April 1st of the year in which the forms are mailed to affected taxpayers;
 - (b) If any income-expense statement is timely delivered on or before April 1st, but is either inaccurate or incomplete and, after written notice from the Deputy Chief Financial Officer and in the opinion of the Deputy Chief Financial Officer, remains inaccurate or incomplete; or
 - (c) If an income and expense statement is delivered after the time extended by the Deputy Chief Financial Officer.
- 330.7 For the purposes of §§330 - 339, the word "delivered" also includes a timely postmark if mailed.
- 330.8 Unless the postmark is illegible, no proof of a different postmark shall be accepted other than a registered or certified mail receipt or an affidavit from the proper postal representative. If the postmark is illegible, an affected taxpayer must submit a duly notarized affidavit which indicates a timely postmark.
- 330.9 In computing any period of time prescribed or allowed in §§330 - 339, the day of the act from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or a legal holiday, in which case the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday.
- 330.10 The Office shall notify in writing affected taxpayers of the application of the ten percent (10%) penalty described in this section through the first-half or second-half real property tax bill or by any other method which it consider appropriate.
- 330.11 The Office may apply the ten percent (10%) penalty provided for in these rules and regulations to either the first-half or second-half real property tax bill of the affected taxpayer's next ensuing tax year, or through a separate billing within that tax year.
- 330.12 Any information, form or documents required by §§330 - 339 to be submitted (postmarked) by a specified time may be hand-delivered (in place of mailing) to the Office at the Real Property Tax Administration, One Judiciary Square, 441 4th Street, N.W., Washington, D.C. 20001, on or before the close of business (4:45 p.m.) on the specified date.

SOURCE: Final Rulemaking published at 25 DCR 10919 (June 22, 1979), 16 DCRR §101.

331 WAIVER OF PENALTY AND INTEREST FOR FAILURE TO FILE

- 331.1 If an income-expense form, any information sought under the form, or records or documents sought to completely and accurately inform the Deputy Chief Financial Officer about the income or economic benefits of the income-producing property are not submitted in the time provided for by this chapter, and it is shown to the Deputy Chief Financial Officer's satisfaction that the failure to provide the form, information, record, or document was due to reasonable cause, the Deputy Chief Financial Officer shall not add the penalty described in §330 to the affected taxpayer's real property tax bill for the next ensuing tax year.

331.2 For the purposes of §331.1, the phrase “reasonable cause” shall be construed to mean the following:

- (a) Those situations in which the owner of the affected property is under a legal disability at the time due for filing. Persons under legal disability are those persons who, at the time due for submission of the forms, did not appreciate their obligation to file and were thus unable to care for their property by reason of advanced age, mental illness, mental defect or physical incapacity;
- (b) Death of the record-owner of the affected property within six (6) months prior to the date due for submission of the forms;
- (c) Death of the agent who is retained by the taxpayer to prepare the forms, within six (6) months prior to the date due for submission of the forms; and
- (d) Any other situation which the Office, in its discretion, considers appropriate for the treatment.

331.3 A waiver of penalty and interest for failure to submit the required income and expense or related information or documents, in accordance with the provisions of this chapter, shall not be granted unless the facts and circumstances to justify the failure have been set forth in writing by the affected taxpayer and approved by the Director, Real Property Tax Administration.

331.4 A request for waiver of penalty and interest under this section shall be submitted to the Deputy Chief Financial Officer on or before November 1st following the due date for submission of the income and expense form, as provided in §332.

331.5 In addition to the submission of a request for waiver of penalty and interest as provided for §331.4, the filing of an accurately completed income-expense form shall be a prerequisite to obtaining a waiver of penalty and interest.

SOURCE: Final Rulemaking published at 25 DCR 10919, 10924 (June 22, 1979); as amended by Final Rulemaking published at 28 DCR 3203 (July 17, 1981), incorporating text of Proposed Rulemaking published at 28 DCR 2160 (May 15, 1981); and by Final Rulemaking published at 31 DCR 3729 (July 27, 1984).

332 TIME LIMITS FOR FILING FORMS

332.1 The information required to be accurately completed on the income and expense form shall be mailed to the Office at the address provided in that form or in any accompanying instructions and must be postmarked not later than April 1st of the year in which the forms are mailed to affected taxpayers.

332.2 The income-expense forms will be mailed to affected taxpayers at least thirty (30) days prior to the due date provided for in §331.1.

332.3 When, in the opinion of the Deputy Chief Financial Officer, an income and expense form submitted prior to the deadline set forth in §331.1 has not been accurately completed (that is, it is either inaccurate or incomplete, or both), the Deputy Chief Financial Officer shall inform the affected taxpayer (or the taxpayer’s agent) as soon

as possible and request, in writing, that the form be accurately completed and delivered not later than thirty (30) days from the date of the mailing of the notice or as otherwise specified.

- 332.4 Extensions of time, not to exceed thirty (30) days, to submit the forms may be granted at the discretion of the Deputy Chief Financial Officer for good cause.
- 332.5 A request for an extension to file shall be delivered to the Deputy Chief Financial Officer not later than March 15th of the year in which the forms are to be mailed to affected taxpayers. Requests for extensions delivered after March 15th shall not be granted.

SOURCE: Final Rulemaking published at 25 DCR 10919, 10922 (June 22, 1979), 16 DCRR §103; as amended by Final Rulemaking published at 28 DCR 3203 (July 17, 1981), incorporating text of Proposed Rulemaking published at 28 DCR 2160 (May 15, 1981).

333 CONFIDENTIALITY OF INFORMATION

- 333.1 Any information obtained from a property owner pursuant to §§330 - 339 concerning any income derived from investment or income-producing real property shall be accorded the same confidentiality as that applied to District income tax returns under §4(a) of Title 5 of the District of Columbia Franchise Tax Act of 1947 (61 *Stat.* 342; D.C. Code §47-1805.4) (1981 Ed.).
- 333.2 Any violation of the provisions of this section shall be a misdemeanor and shall be punishable by a fine not exceeding one thousand dollars (\$1,000) or imprisonment for six (6) months, or both, in the discretion of the D.C. Superior Court.

SOURCE: Final Rulemaking published at 25 DCR 10919, 10924 (June 22, 1979), 16 DCRR §105.

334 THE INCOME-EXPENSE REPORTING FORM

- 334.1 In addition to the collection of the information set forth in §333.4, the Deputy Chief Financial Officer may, in his or her discretion, by written notice to the affected taxpayer, require the taxpayer to provide records and documents that will assist in determining or substantiating the income and economic benefits of the income-producing property.
- 334.2 In the absence of any extension of time granted by the Deputy Chief Financial Officer, all records and documents shall be filed with the Office within thirty (30) days from the time of the mailing of the written notice to the affected taxpayer, or as otherwise specified.
- 334.3 Examples of records and documents include, but are not limited to, rent rolls, leases, subleases, graduated leases, interim financing documents, gross sales figures, gross gallonage figures, receipts and billings, and (certified/uncertified) financial reports.
- 334.4 The income-expense form required to be completed by affected taxpayers shall contain a request for the following general information with respect to the income-producing property for the reporting period in question:

- (a) Income;
- (b) Expenses;
- (c) Vacancy and credit loss;
- (d) Any miscellaneous information deemed by the Office as necessary to inform it fully of the income and economic benefits of the property, including but not limited to the following:
 - (1) Utility payments;
 - (2) Owner-occupancy;
 - (3) Number of units, number of units available for rent, number of units actually rented, length of time units remained vacant;
 - (4) Length of typical leases to tenants;
 - (5) Lease escalation clauses;
 - (6) Lease increases or decreases;
 - (7) Percentage leases;
 - (8) Rent collected (with or without parking and with or without miscellaneous income) during a given period of time;
 - (9) Real estate taxes paid by the owner;
 - (10) Real estate taxes paid by the lessee;
 - (11) Age of improvements to the property;
 - (12) Year major or minor renovation completed;
 - (13) Gross sales;
 - (14) Scheduled rental rates for any given span of time within the reporting period; and
 - (15) Actual Gross Income;
- (e) A certification from the owner or agent that the information supplied on the income-expense form is complete and accurate; and
- (f) A notice of penalties provided for by law for failure to return timely, return accurately, or return completely the income-expense form described in this section.

- 334.5 In the case of income-producing properties classified as Class II or Class III under §2(b) of D.C. Law 3-37 (D.C. Code §47-813 (1981 Ed.)), a copy of the rent roll as of December 31 of the preceding calendar year certified by the property manager or owner as being true and correct to the best of his or her knowledge and belief shall, in addition to the information required by §334.4, be submitted with the form. The following types of properties shall not be subject to the requirement contained in this subsection:
- (a) Hotels; and
 - (b) Apartment buildings.
- 334.6 In the case of a hotel, a copy of a month-by-month operating statement for the immediately preceding calendar year certified by the hotel manager or owner as being true and correct to the best of his or her knowledge and belief shall be submitted with the form.
- 334.7 For purposes of this section, the term "operating statement" means an accounting in writing of the gross income, annual expenses, and resulting Net Operating Income of an investment in real estate during a specified period.
- 334.8 For the purposes of §334.5, the term "rent rolls" includes, but is not limited to, the following:
- (a) Tenant names;
 - (b) Floor and square foot area occupied;
 - (c) Commencement date of the lease;
 - (d) Expiration date of the lease, or length of the lease;
 - (e) Annual contract rent; and
 - (f) Pass through provisions (real estate taxes, and operating expenses, Consumer Price Index Adjustments, options to renew provisions and their terms, and unoccupied areas or vacant space by square foot).
- 334.9 Income and expenses reported and attributable to corporations, partnerships, associations, or individuals that do not reflect the business income of the property shall not be considered sufficient for purposes of this section.

SOURCE: Final Rulemaking published at 25 DCR 10919, 10921 (June 22, 1979), 16 DCRR §102; as amended by Final Rulemaking published at 32 DCR 1352 (March 8, 1985).

335 APPLICATION FOR LOWER INCOME HOMEOWNERSHIP EXEMPTION

- 335.1 Application for exemption from real property tax made pursuant to D.C. Law 5-31 shall be made at the time the deed transferring the real property to a qualified lower income homeownership household is presented for recordation; Provided, however, the Mayor may accept amended returns within three (3) years of recordation.

- 335.2 An exemption, if approved, shall be effective the July 1st following the date the application is received and remain in effect until the end of the 5th tax year following the year in which the property was transferred to the household and only so long as the same household is an owner and occupant of the property.
- 335.3 For the purposes of determining the income of the household, the Deputy Chief Financial Officer shall consider the following:
- (a) Income derived from salaries, wages, tips, commissions or compensation for personal services;
 - (b) Gains, or profits of whatever kind, in whatever form paid, from any source including income received from the United States or the District of Columbia;
 - (c) Income derived from any trade or business or sales or dealings in property, including capital assets whether real or personal, growing out of the ownership, or sale of, or interest in such property;
 - (d) Income derived from rent, royalties, interest, dividends, securities, or transactions of any trade or business carried on for gain or profit;
 - (e) Income derived from any source whatever, including but not limited to cash distribution from a business or investment entity in which the claimant has an interest alimony and separate maintenance payments (including amounts received under separate maintenance agreement), strike benefits, cash public assistance and relief, sick pay, workmen's compensation, proceeds of life insurance policies, the gross amount of any pension or annuity (including railroad retirement benefits, veteran's disability pension, or payment received under the federal Social Security Act), state or District of Columbia unemployment compensation laws, and non-taxable interest received from the United States, a state or instrumentality thereof;
 - (f) Household gross income received by all individual members of a household during the calendar year while the individuals were members of the household; and
 - (g) Gifts from non-governmental sources, food stamps, or food or other relief in-kind supplied by a governmental agency shall not be included in the determination of income for purposes of this section.
- 335.4 Evidence of income includes, but is not limited to, current pay stubs, employment letters, social security statements, public assistance statements, retirement allotment, unemployment compensation, and previous year's income tax returns.
- 335.5 Households shall meet the criteria set out in D.C. Code §47-3502 (1981 Ed.), in order to be eligible for exemption pursuant to this section.
- 335.6 A shared equity financing agreement complies with the requirements of §280(d)(3) of the Internal Revenue Code of 1954 if it meets the criteria set out in the definition of a shared equity financing agreement in §335.3.

- 335.7 In order to qualify for exemption from taxation pursuant to D.C. Code §47-3501 (1981), a non-profit housing organization shall meet the criteria set forth in D.C. Code §47-3505 (1981 Ed.).
- 335.8 Exemption received pursuant to this section is applicable only to real property purchased after the effective date of the Act.
- 335.9 In the case of property transferred pursuant to a shared equity financing agreement, in order to obtain exemptions provided for by this section, the qualifying lower income homeownership household shall receive a credit against rent equal to that percentage of the real property tax that would have been due on the property without regard to this section as one hundred percent (100%) minus the percentage of the household's qualified ownership interest bears to one hundred percent (100%).
- 335.10 Exemption from taxation obtained pursuant to this section shall not apply to intra-family transfers as defined in this section unless they are pursuant to an arms-length transaction as defined in this section.
- 335.11 In order to qualify for exemption from taxation pursuant to this section, a member of a household shall not be absent from his or her home in the District for more than one hundred eighty (180) days in the calendar year in which application is made.
- 335.12 If real property for which an exemption has been received pursuant to this section is transferred during the five (5) year exemption period, the affected property shall immediately be assessed and taxed.
- 335.13 Upon the expiration of the five (5) year period in which exemption from tax has been received pursuant to this section, the affected property shall immediately be assessed and taxed.

SOURCE: Final Rulemaking published at 32 DCR 1360 (March 8, 1985).

336 FEES

- 336.1 The following fees shall cover all mailings associated with service functions for which a user charge is assessed, the correction of any condition of any real property that is in violation of the law, and the issuing of tax certificates and certified copies of tax returns by the Office of Tax and Revenue.

<u>DESCRIPTION OF SERVICE</u>	<u>FEE</u>
MAILINGS/USER CHARGE	
Certificate of Good Tax Standing	\$15.00
Computer Photocopy of Real or Personal Property Data	*
Computer Printout of Real or Personal Property	*

336.1 (Continued)

<u>DESCRIPTION OF SERVICE</u>	<u>FEE</u>
Computer Tape of Real or Personal Property Data	*
Lot and Square Map	2.00 each
Mailing	1.00/ mailing
Transcript of Property Tax Bill	3.50

*Estimates will be provided prior to service delivery on a request by request basis and will be based on the personnel cost of individual(s) to be assigned the job and other than personnel service costs, i.e., computer and supply usage.

REAL PROPERTY

Billing Expense	\$ 4.00
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TAX CERTIFICATES AND CERTIFIED COPIES OF TAX RETURNS

Certified Copy of Tax Return	
Last 3 years inclusive	\$ 5.00
More than 3 years old Non-Rush	6.00
More than 3 years old Rush*	25.00
Tax Certificate	15.00

*Rush is defined as request for and delivery of service within forty-eight (48) hours.

336.2 The following fees shall be charged for the recording and obtaining of copies of documents in the Office of Recorder of Deeds:

<u>DESCRIPTION OF SERVICE</u>	<u>FEE</u>
(a) Land Documents:	
Deeds	Two (2) pages \$15.00
	Each additional page 5.00
Trusts	Two (2) pages 15.00
	Each additional page 5.00
Releases	Two (2) pages 15.00
	Each additional page 5.00
Leases	Two (2) pages 15.00
	Each additional page 5.00
Agreements	Two (2) pages 15.00
	Each additional page 5.00
(b) General Documents:	
Mechanic's Liens	First two (2) pages 15.00
	Each additional page 5.00

336.2 (Continued)

Mechanic's Liens/ Release	First two (2) pages Each additional page	\$15.00 5.00
Mechanic's Liens/ Undertaking	First two (2) pages Each additional page	15.00 5.00
Hospital Liens	First two (2) pages Each additional page	15.00 5.00
Judgments	First two (2) pages Each additional page	15.00 5.00
Judgment Releases	First two (2) pages Each additional page	15.00 5.00
U.S. Tax Liens	First two (2) pages Each additional page	15.00 5.00
U.S. Tax Lien Releases	First two (2) pages Each additional page	15.00 5.00
Foreclosures (Real Property and Condominium)	First two (2) pages Each additional page	15.00 5.00
Security Agreements (Chattels)		15.00 per debtor
Financing Statements		15.00 per debtor
Continuation Statements		15.00 per debtor
Assignment of Financing Statements		15.00 per debtor
Partial Release of Financing Statements		15.00 per debtor
Release of Financing Statements		15.00 per debtor
Statements of Release	First two (2) pages Each additional page	15.00 5.00
Chattels	First two (2) pages Each additional page	15.00 5.00
Terminations	First two (2) pages Each additional page	15.00 5.00

336.2 (Continued)

Affidavits		First two (2) pages	\$15.00
		Each additional page	5.00
(c)	Miscellaneous:		
	Security Agreement (Land)		15.00 per debtor
	Condominium	Two (2) pages	15.00
		Each additional page	5.00
	Covenant	Two (2) pages	15.00
		Each additional page	5.00
	Covenant Not to Encumber	Two (2) pages	15.00
		Each additional page	5.00
	Power of Attorney	Two (2) pages	15.00
		Each additional page	5.00
(d)	Search and Reproduction Fees:		
	Certificate (General Documents)		30.00 per debtor
	Certificate (Real Property)		30.00
	Non-certified copies		2.25 per page
	Certified copies		2.25 per page plus 2.25 for Certificate and Seal

SOURCE: Final Rulemaking published at 31 DCR 4953 (October 5, 1984); as amended by Final Rulemaking published at 32 DCR 5759 (October 11, 1985); and by Final Rulemaking published at 36 DCR 6853 (September 29, 1989).

337 ELIGIBILITY FOR SENIOR CITIZEN HOMESTEAD TAX RELIEF

337.1 Class One Property owners, sixty-five (65) years of age or older, who receive retirement income, social security benefits, or both, as their primary means of support shall be eligible for a fifty percent (50%) reduction in real property tax liability pursuant to §5(a) of the Real Property Tax Rates for Tax Year 1987 Act of 1986 (herein the "Act") if the property owner submits an application for the reduction to the Deputy Chief Financial Officer of the Office of Tax and Revenue.

- 337.2 For purposes of this section, the phrase Class One Property owners means persons who occupy and possess total ownership interest of fifty percent (50%) or greater in the property subject to the reduction in the property tax liability provided by §5(a) of the Act.
- 337.3 For purposes of this section, Class One Property owners who own as tenants by the entirety or as joint tenants with the right of survivorship are deemed to possess total ownership interest equal to the sum of all the interests in the tenancy, respectively.
- 337.4 The reduction in the property tax liability received pursuant to this section shall be applicable to real property tax liabilities arising after the effective date of the Act.
- 337.5 For purposes of this section and §339, “retirement income” shall include all income received during the preceding calendar year from pensions, annuities, and social security benefits.
- 337.6 For purposes of determining the income of Class One Property owners applying for the fifty percent (50%) tax liability reduction pursuant to §5(a) of the Act, the following item of income, of all owners who occupy the subject property, shall be considered:
- (a) All items of income subject to taxation on the D.C. Income Tax Return(s) filed for the tax year preceding the year for which the reduction in the property tax liability is requested;
 - (b) All items of income received during the preceding calendar year not subject to taxation under §337.6(a), including but not limited to the following:
 - (1) Interest on federal and municipal securities;
 - (2) Nontaxable portion of any pension;
 - (3) Nontaxable portion of social security or similar benefits;
 - (4) Nontaxable portion of unemployment compensation (insurance);
 - (5) Positive cash distributions from a business or investment entity in which the applicant has an interest; and
 - (6) Proceeds of life insurance policies.
- 337.7 For purposes of this section and §339, the word “primary” as used in §5(a) of the Act means fifty percent (50%) or greater.

SOURCE: Final Rulemaking published at 34 DCR 1837 (March 20, 1987).

338 APPLICATION FOR SENIOR CITIZEN HOMESTEAD TAX RELIEF

- 338.1 Application for the fifty percent (50%) tax liability reduction from real property tax pursuant to §5(a) of the Real Property Tax Rates for Tax Year 1987 Act of 1986 (herein the "Act"), which is different from the application for the homestead exemption, shall be made by filing on affidavit with the Office of Finance and Revenue. The affidavit shall be in a form approved by the Mayor and shall acknowledge the penalty provided by law for making false statements.
- 338.2 With the exception of applications made for tax year 1987, the application for the reduction in the property tax liability provided pursuant to §5(a) of the Act shall be filed no later than June 1st preceding any tax year.
- 338.3 Commencing with tax year beginning July 1, 1986 and ending June 30, 1987, the Mayor, in order to implement this subsection, shall mail every five (5) years, on or before April 1st, an application to the applicant-owner or co-owner of Class One Property eligible for the reduction in the property tax liability.
- 338.4 Failure of the Mayor to mail an application to an applicant-owner or co-owner of Class One Property owners eligible for the fifty percent (50%) tax liability reduction provided for the fifty percent (50%) tax liability reduction provided for under this section shall in no manner diminish the obligation of the applicant-owner or co-owner to secure and file, in a timely manner, an application in order to obtain the relief.
- 338.5 Persons eligible for the fifty percent (50%) tax liability reduction pursuant to §5(a) of the Act on the first day of any tax year shall remain eligible for the entire tax year.
- 338.6 Where there is a change in ownership of residential real property after June 1st but before the beginning of the new tax year on July 1st, the new owner shall immediately notify the Mayor of such change and, if eligible for the reduction in the property tax liability pursuant to §337, file a properly completed application by July 15th.
- 338.7 If real property for which the fifty percent (50%) tax liability reduction has been received pursuant to §337 is transferred, the new owner shall immediately notify the Mayor of such change in ownership.
- 338.8 If real property for which the reduction in the property tax liability has been received pursuant to §337 is transferred, the new owner of the affected property shall not receive a fifty percent (50%) decrease in their real property tax liability without having made application.
- 338.9 For the tax year beginning July 1, 1986 and ending June 30, 1987 only, application for the fifty percent (50%) tax liability reduction for the second half of the tax year shall be filed by February 27, 1987.
- 338.10 For the tax year beginning July 1, 1986 and ending June 30, 1987 only, where there is a change in ownership of residential real property after December 1, 1986, but before January 1, 1987, the new owner shall immediately notify the

Mayor of such change and, if eligible for the reduction in the property tax liability pursuant to §337, file a properly completed application by February 27, 1987.

- 338.11 For the tax year beginning July 1, 1986 and ending June 30, 1987, applications filed by February 27, 1987 shall apply for the remainder of that tax year following the date of application and for succeeding tax years until:
- (a) There is a change in ownership in the affected property;
 - (b) The applicant-owner or co-owner is no longer eligible; or
 - (c) Required by §338.15 of this section.
- 338.12 Any real property owner who has been granted a reduction in real property tax liability for the preceding tax year pursuant to the Act and becomes ineligible for the reduction shall notify the Mayor of such ineligibility.
- 338.13 If any person subject to the provisions of this section who is required to notify the Mayor of a termination of eligibility for any tax year fails to notify the Mayor of such termination, the fifty percent (50%) tax liability reduction shall be disallowed and the owner of the property shall no longer receive a fifty percent (50%) tax liability reduction for the tax year or years for which the person was ineligible.
- 338.14 In addition to the provisions of §338.13, there shall be added to the tax a penalty of ten percent (10%) of such tax for each tax year plus interest at the rate of one percent (1%) per month or portion of a month, from the date prescribed for the payment of the tax to the date the deficiency is paid.
- 338.15 For purposes of this section and §337, any application properly completed and timely filed for the tax year beginning July 1, 1987 and ending June 30, 1988 shall also apply to succeeding tax years until the tax year for which quinquennial filing of the applicant-owner or co-owner is required pursuant to the Act.
- 338.16 Any person who obtains the reduction in the property tax liability under this section, for the tax year beginning July 1, 1987 and ending June 30, 1988 shall obtain the aforementioned relief for each succeeding tax year until the tax year for which the quinquennial filing is required; Provided, that the person remains eligible for the fifty percent (50%) tax liability reduction.
- 338.17 For the tax years beginning after June 30, 1988, the Mayor shall make applications available to any applicant-owner or co-owner of Class One Property for which the reduction in the property tax liability was not obtained for the preceding tax year or second half of the preceding tax year, whichever is applicable.
- 338.18 Any person who is not eligible for the fifty percent (50%) tax liability reduction as of the first day of any tax year, shall be eligible for the reduction in the property tax liability for the second half of the tax year if the person becomes eligible for the reduction before January 1st of the tax year.

- 338.19 To obtain the fifty percent (50%) tax liability reduction for the second half of the tax year, applicant-owners or co-owners of property shall procure, complete, and file an application before January 1st of the tax year.
- 338.20 Applications filed by February 27, 1987 for the second half of the tax year beginning July 1, 1986 and ending June 30, 1987 shall apply for the second half of such tax year and for succeeding tax years until the tax year for which quinquennial filing of the application is required pursuant to §338.15; Provided, that the person remains eligible for the relief.
- 338.21 In order to obtain the reduction in the property tax liability pursuant to §337, a person shall be sixty-five (65) years of age or older before July 1st of the tax year for which application is being made.
- 338.22 In order to obtain the fifty percent (50%) tax liability reduction pursuant to §337 for the second half of the tax year beginning July 1, 1986 and ending June 30, 1987, an applicant-owner or co-owner shall be sixty-five (65) years of age or older on or before January 1, 1987.

SOURCE: Final Rulemaking published at 34 DCR 1837, 1838 (March 20, 1987).

339 SPECIAL RULES FOR COOPERATIVE HOUSING ASSOCIATIONS

- 339.1 The reduction in the real property tax liability of cooperative housing associations shall be provided for the benefit of members and shareholders of the association who meet the age and income requirements of §5(a) of the Real Property Tax Rates for Tax Year 1987 Act of 1986 (herein the "Act").
- 339.2 In order for a shareholder or member of a cooperative housing association, who incurs a *pro rata* share of tax liability owed by the cooperative housing association, to receive the fifty percent (50%) tax reduction pursuant to the Act, he or she shall first pay the real property tax when due, then file a refund request on a return provided by the Mayor before the June 1st immediately preceding the end of the tax year for which the request for refund is being made.
- 339.3 A member or shareholder of a cooperative housing association which owns residential real property classified as Class One Property shall be eligible for the property tax liability reduction provided under the Act if the following conditions are met:
- (a) The member or shareholder is sixty-five (65) years of age or older;
 - (b) The member or shareholder occupies a dwelling unit in the property owned by the cooperative housing association;
 - (c) The member or shareholder receives retirement income, social security benefits, or both as his or her primary means of support as such terms are defined in this chapter; and

- (d) The member or shareholder submits an application for the reduction to the Deputy Chief Financial Officer of the Office of Tax and Revenue within the times required by this section.

- 339.4 Application for a reduction in the real property tax liability of a cooperative housing association pursuant to §5(a) of the Act shall be made on a form or forms approved by the Mayor which shall include, but not be limited to, a statement of the applicant member's or shareholder's proportionate share of real property tax liability as computed by the cooperative housing association and how that determination was made.
- 339.5 The applications provided by the Mayor pursuant to §339.4 shall be signed under oath by the applicant member or shareholder and the officer or agent of the cooperative housing association, and acknowledge the penalties provided by law for making false statements.
- 339.6 The Mayor may require the officers or agents of each cooperative housing association to distribute the application forms required by this section to its shareholders or members and to collect the completed application forms from the members or shareholders for return to the Deputy Chief Financial Officer of the Office of Tax and Revenue. The officers or agents shall supply any other information as the Mayor may require.

SOURCE: Final Rulemaking published at 34 DCR 1837, 1841 (March 20, 1987).

340 [RESERVED]

341 JULY TAX SALE AND SPECIAL RULES REGARDING NUISANCE ASSESSMENT PROPERTIES

- 341.1 This section shall apply only to properties to be sold at tax sales for unpaid delinquent assessments arising from the costs of abating nuisances and correcting unsafe conditions pursuant to §5(b) of An Act Relating to the levying and collecting of taxes and assessments, and for other purposes, approved June 25, 1938 (52 *Stat.* 1200; D.C. Code §47-1205) as amended by §13(c) of the Homestead Housing Preservation Act of 1986, D.C. Law 6-135, effective August 9, 1986; 33 DCR 3771), hereinafter referred to as "nuisance properties." Nuisance properties shall not include owner-occupied single family dwellings.
- 341.2 Nuisance properties shall also be sold at the annual January tax sale pursuant to §§314 through 317 of this chapter, and shall apply to such sales except, where inconsistent, the rules of this section shall apply.
- 341.3 The redemption period for nuisance properties shall be six (6) months from the last day of the tax sale.

- 341.4 Nuisance properties for which sixty (60) days has expired from the date the assessment was levied, and which were not sold at the preceding annual January tax sale, shall be sold by the Office of Tax and Revenue at an annual tax sale to be held beginning the third Tuesday in July.
- 341.5 A notice of assessment and billing for nuisance properties shall be mailed to the record owner (or the designated representative of the record owner) by the Office of Tax and Revenue as soon as possible after the assessment has been levied. The assessment notice shall state the following:
- (a) The reason for the assessment;
 - (b) That if in the event the nuisance assessment is not paid within sixty (60) days from the date the assessment was levied, the real property involved shall be sold at public auction at the next scheduled tax sale, if the amount due, including interest and other charges, is not paid prior to the sale;
 - (c) The identity of the property by parcel or lot, and by square number;
 - (d) The amount due; and
 - (e) The manner in which the assessment is payable according to law.
- 341.6 Assessments levied on nuisance properties shall be payable immediately upon receipt of the notice of assessment and billing.
- 341.7 Not less than thirty (30) days prior to the day fixed for sale of the property, a notice of delinquent amounts levied shall be mailed to the record-owner (or the designated representative of the record-owner) of nuisance properties for which sixty (60) days from the date of the assessment has expired without payment of the amount due.
- 341.8 The notice required by §341.7 shall state that the real property involved shall be sold at public auction at the next scheduled tax sale if the amount due, including any interest and other charges, is not paid prior to the date specified in the notice for the sale.
- 341.9 Not less than three (3) weeks prior to the day fixed for sale of the property, a notice of the sale of property to be sold shall be advertised in at least one (1) general circulation newspaper published in the District at least once every two (2) weeks.
- 341.10 The notice of sale shall state the following:
- (a) That the property will be sold at public auction to the highest bidder;
 - (b) The date, time, and place of the sale; and
 - (c) The types of delinquent taxes, charges, and assessments for which the property is being sold.

- 341.11 At the tax sale, each property to be sold shall be announced by lot and square, or parcel number.
- 341.12 A bidder at the tax sale shall bid by raising his or her assigned registration number.
- 341.13 The opening bid shall be at least equal to the total amount of the assessment, interest, and other charges due to the District.
- 341.14 If no bid is received for a property which is at least equal to the total amount of the assessment, interest, and other charges due, the property shall be deemed bid off and sold to the District.
- 341.15 Each purchaser of property at a tax sale shall be required to deposit with the District at the time of sale not less than twenty percent (20%) of the purchase price as a guarantee of the payment of a total amount required to be paid by the purchaser.
- 341.16 The deposit of any purchaser at a tax sale who fails to pay the full amount of the bid price, including surplus, within five (5) days (excluding Saturdays, Sundays, and legal holidays) after the last day of the sale shall be forfeited to the District.
- 341.17 A certificate of sale shall be issued to the purchaser of each property sold at the tax sale.
- 341.18 Not less than thirty (30) days prior to the expiration of the six (6) month redemption period for nuisance properties, the Deputy Chief Financial Officer of the Office of Tax and Revenue shall mail to the record-owner (or the designated representative of the record-owner) and all other interested parties of property sold pursuant to this section by certified or registered mail, notice of the final date by which the record-owner must redeem the property.
- 341.19 Within twenty (20) days (excluding Saturdays, Sundays, and legal holidays) after the last day of the tax sale, a written report describing each property sold (except those bid off to the District) shall be filed with the Recorder of Deeds containing the following:
- (a) A description of each property;
 - (b) The person to whom the property is assessed;
 - (c) The tax, penalty, and other charges due;
 - (d) The name of the purchaser;
 - (e) The sale price;
 - (f) The date on which the property was sold;

(g) The costs of sale involved; and

(h) The surplus bid for the property, if any.

341.20 No deed shall be issued to a holder of a certificate of sale until all assessments, taxes, costs, and charges due the District, of whatsoever nature, have been paid in full.

SOURCE: Final Rulemaking published at 34 DCR 3849 (June 12, 1987).

342 - 345 [RESERVED]

346 DETERMINATION OF ASSESSED VALUE OF REAL PROPERTY OWNED BY A COOPERATIVE HOUSING ASSOCIATION

346.1 The provision of §§346 and 347 are adopted under authority of the Cooperative Housing Assessment Procedure and Lower Income Homeownership Tax Abatement and Incentives Act of 1983 Amendment Act of 1988 (the "Act"), effective March 16, 1989 (D.C. Law 7-205; D.C. Code §47-820.1) and Mayor's Order 89-136.

346.2 The assessed value of improved residential real property owned by a cooperative housing association, for the tax year beginning July 1, 1990, and for each subsequent tax year, shall be the aggregate estimated market value of the proprietary leases, stocks, or other interests in the cooperative housing association as of January 1st preceding the date of assessment, minus the value of all non-real property assets owned by the cooperative housing association, multiplied by sixty-five percent (65%), and may be adjusted to take into account the factors set forth in §421a(b) of the District of Columbia Real Property Tax Revision Act of 1974.

346.3 If the Deputy Chief Financial Officer lacks sufficient information upon which to determine the assessed value under §346.2, the assessed value of improved residential real property owned by a cooperative housing association shall be an amount equal to the estimated market value of the real property assessed as if it were a condominium determined by use of the comparable sales approach, multiplied by seventy percent (70%), minus all non-real property assets owned by the cooperative housing association, multiplied by sixty-five percent (65%), and may be adjusted to take into account the factors set forth in §421a(b) of the District of Columbia Real Property Tax Revision Act of 1974.

346.4 Adjustments to the assessed value of the cooperative for units leased by the cooperative (including *bona fide* lifetime or long-term leases to elderly and low income tenants) shall be made by assessing the value of the leased units separately and adding that value to the remaining portion of the cooperative housing association.

346.4 (Continued)

Example:

<i>Value of units leased to low income or elderly tenants</i>	<i>\$150,000.00</i>
<i>Value of other leased units</i>	<i>100,000.00</i>
<i>Total value of leased units</i>	<i>\$250,000.00</i>
<i>Value of remaining portion of coop</i>	<i>\$10,000,000.00</i>
<i>Total assessed value of real property</i>	<i>\$10,250,000.00</i>

- 346.5 The value of units with lifetime or long-term leases to low income and elderly tenants shall be determined based on income and expense statements submitted by the cooperative housing associations.
- 346.6 A cooperative housing association shall submit documentation establishing the existence of lifetime or long-term leases to low income and elderly tenants in order for such leases to be considered in assessing real property owned by the cooperative housing association.
- 346.7 The Deputy Chief Financial Officer may conduct exterior and interior inspection of the property if in the Deputy Chief Financial Officer's judgment an inspection is reasonably necessary in order to establish the assessed value of improved residential real property owned by a cooperative housing association.

SOURCE: Final Rulemaking published at 36 DCR 5940 (August 18, 1989).

347 INFORMATION TO BE PROVIDED BY A COOPERATIVE HOUSING ASSOCIATION

- 347.1 In order to assist the Deputy Chief Financial Officer in determining the assessed value of real property owned by a cooperative housing association, each cooperative housing association shall accurately complete and timely file with the Office on or before September 15, 1989, a Real Property Cooperative Housing Questionnaire, Form Number FP-437 (5/89).
- 347.2 A cooperative housing association that becomes the owner of real property after August 1, 1989, shall accurately complete and timely file a Real Property Cooperative Housing Questionnaire with the Office no later than sixty (60) days following the date of acquisition of title.
- 347.3 Information reported on Real Property Cooperative Housing Questionnaires for newly acquired real property that is received during the period between May 1st to and including October 31st will be considered in the assessment process for the second half of the existing tax year, beginning January 1st and information received during the period between November 1st to and including April 30th shall be considered in the assessment process for the entire following tax year beginning July 1st and ending June 30th.

- 347.4 The Real Property Cooperative Housing Questionnaire shall contain a request for cooperative housing associations to provide information in regard to real property owned by the cooperative housing association specified in §421a(d)(1) of the District of Columbia Real Property Tax Revision Act of 1974 as well as the following:
- (a) A list of all non-real property assets owned by the cooperative housing association;
 - (b) The estimated market values;
 - (c) The method for determining market values; and
 - (d) Any other additional information the cooperative housing association feels should be considered, including proprietary leases, stocks, or other interests in the cooperative housing association.
- 347.5 Each cooperative housing association shall accurately complete and timely file with the Office, annually, on or before June 1st beginning in 1990, an annual update of the Real Property Cooperative Housing Questionnaire, reflecting any changes in the information submitted in the previously filed Real Property Cooperative Housing Questionnaire.
- 347.6 An extension of time to submit the Real Property Cooperative Housing Questionnaire or the annual update may be granted by the Deputy Chief Financial Officer for good cause shown, provided a written request for extension is timely filed two (2) weeks prior to the due date. Any extension granted shall not exceed thirty (30) days from the due date of the initial questionnaire or the annual update.
- 347.7 There shall be added to the real property tax levied upon the property of a cooperative housing association for the next ensuing tax year, a penalty in the amount of ten percent (10%) of the tax if either of the following occurs:
- (a) A Real Property Cooperative Housing Questionnaire or an annual update of the Real Property Cooperative Housing Questionnaire is not timely filed; or
 - (b) A Real Property Cooperative Housing Questionnaire or annual update is timely filed, but in the opinion of the Deputy Chief Financial Officer is not within the form prescribed, and the cooperative housing association has failed to correct or complete the information after thirty (30) days written notice from the Deputy Chief Financial Officer.
- 347.8 A waiver of the penalty imposed under §347.7 shall be granted if it is shown that the failure to provide the information or to timely file the form was due to reasonable cause. A waiver of penalty shall not be granted unless the facts and circumstances to justify the waiver have been set forth in writing by the cooperative housing association and approved by the Director, Real Property Tax Administration.

- 347.9 For the purposes of §347.8, a determination of "reasonable cause" shall be within the discretion of the Department, to be made on a case by case basis, based on the facts presented.
- 347.10 A request for waiver of penalty under §347.8 shall be timely filed with the Deputy Chief Financial Officer within sixty (60) days after the due date of the initial Real Property Cooperative Housing Questionnaire, and on or before December 1st following the due date for submission of the annual update of the Real Property Cooperative Housing Questionnaire.
- 347.11 Any information submitted by a cooperative housing association pursuant to the Cooperative Housing Assessment Procedure and Lower Income Homeownership Tax Abatement and Incentives Act of 1983 Amendment Act of 1988 shall be accorded the same confidentiality as that applied to District of Columbia income tax returns under §4 of title V of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 342; D.C. Code §47-1805.4).
- 347.12 Any violation of the provisions of §347.11 shall be a misdemeanor and shall be punishable by a fine not exceeding one thousand dollars (\$1,000) or imprisonment for one (1) year, or both, in the discretion of the D.C. Superior Court.

SOURCE: Final Rulemaking published at 36 DCR 5940, 5942 (August 18, 1989).

348 - 349 [RESERVED]

350 REAL PROPERTY RECLASSIFICATIONS

- 350.1 For real property tax year 1991 (July 1, 1990 through June 30, 1991), the Deputy Chief Financial Officer shall reclassify real property, based upon his or her determination that the real property is not classified correctly according to applicable law and regulations, no later than August 15, 1990.
- 350.2 The Deputy Chief Financial Officer shall notify owners of real property that has been reclassified of the reclassification no later than September 15, 1990.
- 350.3 An owner of real property that has been reclassified may request a review of the reclassification by timely submitting an application for review of a reclassification on or before November 1, 1990.
- 350.4 For the purpose of this section, an application for review of a reclassification shall be considered to be submitted timely if it is made on the form prescribed by the Deputy Chief Financial Officer, the form is accurately completed, and the form is delivered or mailed by the due date (as shown by the postmark).

- 350.5 The Deputy Chief Financial Officer may require the owner to submit, either with the application or after the application has been submitted, documentation to support the application for review of a reclassification, including, but not limited to, the following:
- (a) Building permits;
 - (b) Approvals for parking lots;
 - (c) Documents evidencing ownership of the property;
 - (d) Business registration forms; and
 - (e) Documents evidencing that tax payments have been made.
- 350.6 The Deputy Chief Financial Officer shall change a reclassification of real property if he or she determines, based on review of documents and investigation, that the real property is not classified correctly according to applicable law and regulations.
- 350.7 The Deputy Chief Financial Officer shall not make reclassifications retroactive to any prior tax years.
- 350.8 The Deputy Chief Financial Officer shall give written notice of his or her decision on an application to review a reclassification to the property owner.
- 350.9 Any person aggrieved by a real property classification or reclassification for real property tax year 1991 may appeal the classification or reclassification to the Superior Court of the District of Columbia in the same manner and to the same extent as provided in D.C. Code §§47-3303 and 47-3304, within six (6) months after October 1, 1990.
- 350.10 If the Deputy Chief Financial Officer fails to give the owner written notice of his or her decision on an application to review a reclassification by December 31, 1990, the appeal rights shall be the same as in §350.9.

SOURCE: Final Rulemaking published at 37 DCR 5128 (August 3, 1990)

351 CREDITS OR REFUNDS DUE TO REAL PROPERTY RE-CLASSIFICATIONS

- 351.1 A reclassification may result in either an underpayment or overpayment of real property taxes.
- 351.2 If a reclassification results in an underpayment of real property taxes, the Deputy Chief Financial Officer shall notify the owner and include the underpaid amount on the next real property tax bill.
- 351.3 If a reclassification results in an overpayment of real property taxes, the Deputy Chief Financial Officer shall credit the overpayment against the next real property tax bill for that property, unless the owner applies for a refund.

351.4 Owners of real property in the District shall submit applications for refund of overpayments on a form prescribed by the Deputy Chief Financial Officer.

351.5 The Deputy Chief Financial Officer shall not accrue interest on amounts to be credited or refunded to real property owners based on overpayments resulting from reclassifications.

SOURCE: Final Rulemaking published at 37 DCR 5128, 5130 (August 3, 1990).

352 SUBDIVISION OR COMBINATION OF LOTS

352.1 The creation of tax lots shall not, in and of itself, result in a reclassification of the real property.

Example: An individual owns one lot that is Class 5 unimproved. The owner requests the property be divided into two (2) tax lots for taxation purposes. Both lots will continue to be treated as Class 5 unimproved property. The owner may be able to obtain a reclassification if the owner can show, for instance, that the property has been subdivided into record lots under the zoning regulations such that the lots are no longer buildable lots and are therefore exempt from Class 5.

352.2 If the Deputy Chief Financial Officer determines that a combination of lots results in the use of the property falling into more than one class, he or she shall apportion the property into the appropriate classes of real property.

Example: An individual owns a commercial building that abuts an unimproved lot. The commercial building is Class 3 property and the unimproved lot is Class 5. If the owner combines the two (2) lots, and the unimproved portion of the new lot continues to meet the requirements for Class 5, the property will be treated as mixed use property, with the portion of the lot on which the building is located placed in Class 3, and the remainder of the lot placed in Class 5.

SOURCE: Final Rulemaking published at 37 DCR 5128, 5130 (August 3, 1990).

353 UNIMPROVED REAL PROPERTY

353.1 The Deputy Chief Financial Officer shall place unimproved real property that does not meet the requirements for Classes 1 through 4 into Class 5 beginning July 1, 1990 (real property tax year 1991).

353.2 For the purpose of Class 5 treatment only, the Deputy Chief Financial Officer shall consider real property to be improved if it has located on it permanently attached equipment used for commercial purposes that makes the land otherwise unbuildable, including storage tanks, railroad tracks and transmittal towers.

353.3 The Deputy Chief Financial Officer shall not place the following unimproved real property into Class 5:

- (a) Unimproved real property that receives abutting Class 1 or Class 2 treatment;

- (b) Unimproved real property upon which no building of any structure is allowed as a matter of right, pursuant to the District zoning regulations;
- (c) Unimproved real property for which a building permit has been issued for the building of an improvement, if the permit is in effect as of July 1, 1990 for real property tax year 1991. A permit will be considered to be in effect for the purpose of this section if it is not expired; and
- (d) Unpaved parking lots for which the owner has received all of the necessary approvals from the District. Paved parking lots are considered to be improved lots.

353.4 If the Deputy Chief Financial Officer determines that an unimproved portion of an improved lot meets the requirements of Class 5, the Deputy Chief Financial Officer shall apportion the lot into the appropriate classes of real property.

SOURCE: Final Rulemaking published at 37 DCR 5128, 5131 (August 3, 1990).

354 - 359 [RESERVED]

360 SUPPLEMENTAL ASSESSMENTS: GENERAL PROVISIONS

- 360.1 Except as otherwise provided, §§360 through 368 shall apply to supplemental assessments.
- 360.2 The rules pertaining to supplemental assessments shall apply to supplemental assessments conducted on or after January 1, 1991.

SOURCE: Final Rulemaking published at 40 DCR 8171 (November 19, 1993).

361 SUPPLEMENTAL ASSESSMENTS

- 361.1 In addition to annual assessments of real property, as provided in §§305 through 312, the Deputy Chief Financial Officer shall conduct supplemental assessments to determine the estimated market value of real property twice a year:
- (a) Between January 1st and June 30th; and
 - (b) Between July 1st and December 31st.
- 361.2 The Deputy Chief Financial Officer shall conduct a supplemental assessment to estimate the market value of the following:

- (a) Real property, if since the last annual or supplemental assessment, it was erroneously omitted from the previous assessment roll or tax list;
- (b) Real property, if since the last annual or supplemental assessment, it was not listed on the previous assessment roll or tax list;
- (c) Real property where there is a change in the estimated market value as a result of damage or destruction of an improvement since the last annual or supplemental assessment;
- (d) Real property, if since the last annual or supplemental assessment, a new improvement was constructed and completed; and
 - (1) The estimated market value of the real property changed by one hundred thousand dollars (\$100,000) or more as a result of the new improvement; or
 - (2) A certificate of occupancy was issued;
- (e) Real property, if since the last annual or supplemental assessment, an addition to an existing improvement or renovation of an existing improvement was completed; and
 - (1) The estimated market value of the real property changed by one hundred thousand dollars (\$100,000) or more as a result of the addition or renovation; or
 - (2) A certificate of occupancy was issued;
- (f) Real property, if since the last annual or supplemental assessment, construction is in progress; and
 - (1) At least sixty-five percent (65%) of the total estimated construction of the overall base structure has occurred and the estimated market value of the real property changed by one hundred thousand dollars (\$100,000) or more as a result of the new construction; or
 - (2) A certificate of occupancy was issued; and
- (g) Real property, if since the last annual or supplemental assessment, a conversion has occurred; and
 - (1) The estimated market value of the real property changed by one hundred thousand dollars (\$100,000) or more as a result of the conversion; or
 - (2) A certificate of occupancy was issued.

361.3

The Deputy Chief Financial Officer shall revise the assessment roll and tax list to reflect the changes in the assessed value of real property resulting from each supplemental assessment.

SOURCE: Final Rulemaking published at 40 DCR 8171 (November 19, 1993).

362 DETERMINATION OF ASSESSED VALUE OF REAL PROPERTY WITH CONSTRUCTION IN PROGRESS

362.1 For construction in progress, sixty-five percent (65%) complete shall be based on how components of an improvement contribute to the overall base structure. A tenant finish is not a component of a structure that contributes to the overall base structure.

362.2 The following guide shall be used to estimate the percentage of completion for a single family detached residence:

PERCENTAGE OF COMPLETION

	Percentage of total	Cumulative Percentage of total
Plans, permits and survey	2%	2%
Excavation, forms, water/sewage hookup	4	6
Concrete	8	14
Rough framing	21	35
Windows and exterior doors	2	37
Roof cover	3	40
Rough-in plumbing	4	44
Insulation	1	45
Rough-in electrical and mechanical	11	56
Exterior	6	62
Interior	8	70
Built-in cabinets, interior doors, trim, etc.	13	83
Plumbing	5	88
Floor covers	3	91
Built-in appliance	3	94
Light fixtures and finish hardware	2	96
Painting and decorating	4	100
	<u>100%</u>	

362.3 The following guide shall be used to estimate the percentage of completion for all other structures:

362.3 (Continued)

PERCENTAGE OF COMPLETION

	Percentage of total	Cumulative Percentage of total
Plans, permits, and survey	2%	2%
Foundation	6	8
Slab and Frame	24	32
Exterior Walls	14	46
Roof	2	48
Electricity	5	53
Heat & Air Conditioning	15	68
Plumbing	9	77
Misc. Equip., Elevators, Etc.	2	79
Sprinklers	2	81
Interior Partitions (Studding), Interior Finish (Lath) (Dry Wall) (Plaster) (Tape), Carpentry & Millwork, Tiling, and Flooring	15	96
Paint	2	98
Landscape, Paving	2	100
	<u>100%</u>	

362.4 For renovations, additions that are not new structures, and other additions, the Deputy Chief Financial Officer may consider the taxpayer's submitted "Schedule of Costs" (FP 315) when determining the assessed value of the real property.

362.5 In determining the assessed value of real property where there is construction in progress and sixty-five percent (65%) of the total estimated construction is determined to be complete, the Deputy Chief Financial Officer may consider the "Schedule of Costs" (FP 315).

362.6 In considering the "Schedule of Costs," the Deputy Chief Financial Officer shall rely primarily on the Percentage of Completion Guides in §§362.2 and 362.3.

SOURCE: Final Rulemaking published at 40 DCR 8171, 8173 (November 19, 1993).

363 INFORMATION TO BE PROVIDED BY THE OWNER OF REAL PROPERTY

363.1 Each owner of real property where there is construction of a new improvement, an addition to or renovation of an existing improvement, construction in progress, a conversion, or damage or destruction of an improvement shall submit the following information to the Deputy Chief Financial Officer for purposes of determining whether the property shall be assessed and the assessed value of the real property:

- (a) All construction loan documents;

- (b) Breakdown(s) of costs (including the detail of construction costs and the budget report-hard and soft costs);
- (c) Project plans and schedules;
- (d) Draw schedules (the actual costs as drawn from the construction loan);
- (e) Insurance information;
- (f) A copy of the certificate(s) of occupancy issued;
- (g) Permit(s);
- (h) Gross building area;
- (i) Net rental area;
- (j) Gross finish area;
- (k) Developed floor area ratio (FAR);
- (l) Below grade area (finished or unfinished);
- (m) Building features and amenities (such as the number of sprinklers and elevators); and
- (n) Other information the Deputy Chief Financial Officer deems necessary.

SOURCE: Final Rulemaking published at 40 DCR 8171, 8174 (November 19, 1993).

364 INFORMATION TO BE PROVIDED BY OWNERS OF REAL PROPERTY WHERE A CONVERSION HAS OCCURRED

364.1 In addition to the information, documents, or forms required to be submitted pursuant to §363, each owner of real property where a conversion has occurred shall submit to the Deputy Chief Financial Officer the following information, documents or forms for the purposes of determining the assessed value of the real property:

- (a) A list of structural changes;
- (b) Trust, mortgage or financing costs;
- (c) Asking price of units or shares in a multi-family conversion;
- (d) An appraisal of the converted real property; and
- (e) Other information the Deputy Chief Financial Officer deems necessary.

- 364.2 Any information, document or forms required to be submitted pursuant to §§363 and 364, shall be mailed and postmarked or hand-delivered by close of business (4:45 p.m.) to the Office of Tax and Revenue, Real Property Tax Administration, 441 4th Street, N.W., One Judiciary Square, Washington, D.C. 20001, within thirty (30) days from the date the Office mails a written request for the information, document or form.

SOURCE: Final Rulemaking published at 40 DCR 8171, 8175 (November 19, 1993).

365 NOTICE OF SUPPLEMENTAL ASSESSMENT TO THE REAL PROPERTY OWNER

- 365.1 The Deputy Chief Financial Officer shall notify each owner of real property by mail of the supplemental assessment of the owner's real property.
- 365.2 The notice shall include any change in the assessment and right of appeal.
- 365.3 Notices shall be mailed as soon as possible after July 1st but not later than August 1st for a supplemental assessment conducted between January 1st and June 30th; and after January 1st but not later than February 1st for a supplemental assessment conducted between July 1st, and December 31st.

SOURCE: Final Rulemaking published at 40 DCR 8171, 8176 (November 19, 1993).

366 APPEALS

- 366.1 Notwithstanding §§2008.3 and 2008.4, any taxpayer who owns real property in the District of Columbia or the taxpayer's duly authorized representative, may appeal the amount of a supplemental assessment of the property pursuant to D.C. Code §47-829 (1992 Suppl.) by filing a petition with the Board of Real Property Assessments and Appeals or its successor by:
- (a) September 30th of the year in which the assessment is made for a supplemental assessment conducted between January 1st and June 30th; and
 - (b) March 31st of the following calendar year for a supplemental assessment conducted between July 1st and December 31st.

SOURCE: Final Rulemaking published at 40 DCR 8171, 8176 (November 19, 1993).

399 DEFINITIONS

- 399.1 The definitions in §9903.1 of Chapter 99 of this title shall also apply to Chapter 3.
- 399.2 When used in this chapter, the following words and phrases shall have the meaning ascribed:

Arms Length Transaction - a transaction freely arrived at in the open market, unaffected by abnormal pressure or by the absence of a normal competitive negotiation as might be true in the case of a transaction between related parties.

Elderly Tenant - a tenant of a cooperative who is sixty-two (62) years of age or older at the time of conversion.

Gifts from Non-governmental Sources - shall not include any amounts received by a recipient who is required to perform some act or render some service as a condition for the receipt of the gift.

Intra-family transfers - transfers between and among a father, mother, husband, wife, children by blood or legally adopted children, or any other lineal descendant or lineal ancestor.

Lifetime Lease - a lease in which a person who occupies a unit in a housing accommodation that is converted into a cooperative automatically acquires a lifetime tenancy.

Limited Equity Cooperative - a cooperative housing association in which the governing documents limit the resale price of a stockholder or member's stock or proprietary interest to the sum of his or her basis for such stock or proprietary interest plus his or her proportionate share of the amortization of any mortgage on the real property owned by the cooperative. The resale price may be subject to adjustment based on the Consumer Price Index or comparable index.

Longterm Lease - a lease which meets the minimum length of time required under §204 of the Rental Housing Conversion and Sale Act of 1980, to qualify for reduction of conversion fees based on rentals to low income tenants.

Low-income Tenant - a tenant of a cooperative unit with a combined annual income totaling less than the median income determined by the United States Department of Housing and Urban Development and adjusted yearly by historic trends of that median, and as may be further adjusted by an interim census of District of Columbia incomes by local or regional government agencies.

Members of a Household - all individuals occupying a unit, whether or not they are related. For example, two (2) or more unrelated individuals sharing an apartment constitute the members of a household.

Nonreal Property Assets - tangible and intangible personal property.

Owner in Fee Simple - anyone who owns an estate which is absolute in respect to the rights of creditors and purchasers but subject to any future estates that may be limited thereon.

Qualified Ownership Interest - an undivided interest for more than fifty (50) years in the entire dwelling unit and appurtenant land being acquired in the transaction to which the shared equity financing agreement relates.

Shared Equity Financing Agreement - an agreement under which:

- (a) Two (2) or more persons acquire qualified ownership interests in a dwelling unit; and
- (b) The person (or persons) holding one (1) or more of such interests:
 - (1) Is entitled to occupy the dwelling unit for use as a principal residence; and
 - (2) Is required to pay rent to one (1) or more other persons holding qualified ownership interests in the dwelling unit.

Timely File - postmarked by the due date, if mailed. If the postmark is illegible, the person filing the document may be required to submit a duly notarized affidavit indicating timely mailing.

Type of Cooperative - the ownership of a cooperative whether it be stock or nonstock membership, and to whether there are restrictions on the profit realizable on resale of a cooperative interest, whether low-yield or limited yield.

Unit Exposure - the position of a unit in relation to the outside of the building, i.e., corner, front, back, side or inside.

Unit Mix - the types of dwelling units in a cooperative housing association, such as efficiency, one-bedroom, two-bedrooms, guest rooms, and commercial space.

399.3 The terms and phrases used in §§360 through 365 shall have the meanings set forth in this section unless the text or context of a particular chapter, section, subsection, or paragraph provides otherwise.

Construction in progress - the on-site building of an improvement or alteration of an improvement, whether it is a new improvement, an addition, or a renovation, including but not limited to, assembly and installation of components and, installation of equipment.

Conversion - one of the following:

- (a) A change in the use of real property whether or not the change in use results in reclassification of the real property; or
- (b) A change in the type of ownership of residential real property that results in a change of the residential use.

The following are some examples of change in the use of real property which shall constitute a conversion.

- (a) *Change from use as an apartment building to use as a hotel.*
- (b) *Change from use as a warehouse to use as a residential condominium.*
- (c) *Change from use as a store to use as a single family dwelling.*

The following are some examples of a change in the type of ownership of residential property, resulting in a change in the use, which shall constitute a conversion.

- (a) *Change from use as a rental apartment building to use as a cooperative.*

- (b) *Change from use as a rental apartment building to use as a condominium. For example, if real property is converted from apartment use to condominium use and the total value of the original real property (not each new condominium unit) increases by one hundred thousand dollars (\$100,000), the new value may be assessed on a supplemental basis.*

Improvement - a building or any other relatively permanent structure or development located on or attached to real property. It shall include any equipment that is used for commercial purposes and that is permanently attached to the real property so as to make the land otherwise unbuildable, e.g. storage tanks, railroad tracks and transmittal towers. The term "improvement" shall not include fences, residential storage sheds or other similar structures, or brick, or stone walls.

Overall base structure - the supporting structure, including the exterior walls, interior finish, and lighting, heating, plumbing, and mechanical components. Interior finish shall not include tenant finish.

Real property erroneously omitted from the assessment roll or tax list - all real property which escaped assessment and placement on the assessment roll or tax list and should have been assessed and on the assessment roll or tax list.

Real property not listed on the previous assessment roll or tax list - all real property which was not listed on the previous assessment roll or tax list.

Tenant finish - any alteration, enhancement, or renovation of an improvement made by a tenant or lessee, made according to the tenant's or lessee's specifications, or made for a tenant or lessee which subsequently becomes a part of the improvement, whether or not such alteration, enhancement, or renovation is changed for or by the tenant or lessee or a subsequent tenant or lessee, such as, one of the following:

- (a) A drop ceiling;
- (b) A partition;
- (c) Dry wall;
- (d) Carpeting;
- (e) A fixture;
- (f) A kitchenette; or
- (g) Wood paneling.

SOURCE: Regulation No. 74-35 effective December 12, 1974, 24 DCR 1643 (January 20, 1975); Final Rulemaking published at 36 DCR 5940, 5944 (August 18, 1989); by Final Rulemaking published at 36 DCR 5128, 5132 (August 3, 1990); and by Final Rulemaking published at 40 DCR 8171, 8177 (November 19, 1993).